

**HAWAII PUBLIC HOUSING AUTHORITY
NOTICE OF MEETING
REGULAR BOARD OF DIRECTORS MEETING
1002 North School Street, Building A Boardroom
Honolulu, Hawaii 96817
September 17, 2015
9:00 a.m.**

AGENDA

I. CALL TO ORDER/ROLL CALL

II. APPROVAL OF MINUTES

- A. Annual Meeting Minutes, August 20, 2015
- B. Regular Meeting Minutes, August 20, 2015
- C. Executive Session Minutes, June 18, 2015 (not for public distribution)
- D. Executive Session Minutes, August 20, 2015 (not for public distribution)

III. PUBLIC TESTIMONY

Public testimony on any item relevant to this agenda shall be taken at this time. Pursuant to section 92-3, Hawaii Revised Statutes, and section 17-2000-18, Hawaii Administrative Rules, the Board may limit public testimony to three minutes per agenda item.

IV. FOR ACTION

- A. Motion: To Appoint the Following Individual for a Four-Year Term:
 - 1. Louanne K. L. Kam to the Oahu Eviction Board.

- To Reappoint the Following Individuals for an Additional Four-Year Term:
 - 1. Chunmay Chang to the Oahu Eviction Board whose term expires in November 2015;
 - 2. Wanda Camara to the Oahu Eviction Board and as a Floating Resident Member whose term expires in December 2015

- B. Motion: To Approve Draft Legislative Proposals for the 28th Legislature regarding the Hawaii Public Housing Authority and to Authorize the Executive Director to Submit Proposed Legislation to the Office of the Governor, including the following proposals:
 - 1. To reinstate the exemption from civil service of persons hired or contracted to perform skilled repair or maintenance work on the HPHA's vacant public housing units that was granted by Act 159 Session Laws of Hawaii 2012, but expired July 1, 2015.

2. As a housekeeping measure, to provide an exception for HPHA titled lands from “public lands” under Hawaii Revised Statutes (HRS) §171-2.
3. House Bill 768, House Draft 2, Senate Draft 2, Relating to the Hawaii Public Housing Authority. Expands the HPHA’s authority to dispose of property seized, abandoned or remaining upon eviction in and around federal, elder or elderly, or state low-income housing projects.
4. House Bill 767, House Draft 2, Senate Draft 1, Relating to the Hawaii Public Housing Authority. Provides that certain areas HPHA housing projects are closed to the public and amends criminal trespass in the second degree to permit the prosecution of an unauthorized entry or a violation of a written prohibition to enter into the subject housing projects. Clarifies requirements for signage.

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board’s attorneys on questions and issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities related to legislative proposals

V. REPORTS

- A. Executive Director’s Report Highlights:
- Property Management and Maintenance Services Branch Occupancy and Rent Collection Status
 - Mixed finance private public partnership developments
 - Section 8 Lease up Status and Program Activity
 - Design and Construction Project Updates
 - Contracts Executed During August 2015
 - Memorandum of Understanding with United Public Workers for Implementation of a Multi-Skilled Worker Pilot Program

VI. FOR DISCUSSION

- A. For Information: Board Training by the U.S. Department of Housing and Urban Development, including an overview of the following:
- Conflict of Interest
 - Public Housing Conflicts, Nepotism Restrictions
 - Section 8 Conflicts
 - Hatch Act
 - Litigation Reporting
 - Q & A

- B. For Information: Orientation and Training for the HPHA's Board of Directors, including a broad overview of the HPHA as follows:
- Purpose, Mission, Structure, and History of HPHA
 - Roles of the Board & Executive Director
 - Overview of the State and Federal Public Housing Program
 - The Annual Contributions Contract
 - Understanding the Public Housing Assessment System
 - The HPHA's housing inventory
 - Redevelopment, Construction, Modernization, Repair and Maintenance Issues
 - Overview of the Housing Choice Voucher Section 8
 - Understanding the Section 8 Management Assessment Program
 - Overview of Construction Activities at HPHA
 - Overview of Program Management
 - Overview of Financial Management of HPHA's programs
 - Procurement and Contracting Requirements
 - Ethics and Standards of Conduct for the Board and Staff
 - Ongoing Programs & Projects
 - Applicable Statutes, Rules, and Administrative Policies
 - Previously Adopted Board Policies
 - HPHA's Statement of Procurement Policy
 - HPHA's Five Year and Annual Public Housing Agency Plan
 - Organization Charts and Functional Statement
 - Goals and Objectives
 - Annual Reports
- C. For Discussion: Discussion Regarding the U.S. Department of Housing and Urban Development's Rental Assistance Demonstration (RAD) Program
- D. For Information: Department of Human Services Director Rachael Wong; Update from the Governor's Leadership Team on Homelessness on Goals, Plans, and Activities in the State.
- E. For Discussion: HPHA's Strategic Plan, including Public Housing Authority Requirements, Statutes, Rules, Policies, and History.

The Board may go into executive session pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities on any item listed above.

If any person requires special needs (i.e., large print, taped materials, sign language interpreter, etc.) please call Ms. Taryn Chikamori at (808) 832-4694 by close of business two days prior to the meeting date. Meals will be served to the Board and support staff as an integral part of the meeting.

HAWAII PUBLIC HOUSING AUTHORITY
MINUTES OF THE ANNUAL MEETING
HELD AT 1002 NORTH SCHOOL STREET, BUILDING E,
HONOLULU, HAWAII 96817
ON THURSDAY, SEPTEMBER 17, 2015
IN THE COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority held their Regular Board Meeting at 1002 North School Street, on Thursday, September 17, 2015 at 9:00 a.m. Chairperson Pono Shim called the meeting to order. Those present were as follows:

PRESENT: Director Pono Shim, Chairperson
Director Alena Medeiros, Vice Chairperson
Director Jason Espero, Secretary
Director Rachael Wong
Director Lisa Darcy
Director Laura Smith

Deputy Attorney General, Jennifer Sugita

EXCUSED: Director Elizabeth Kim
Director Myoung Oh
Director En Young

STAFF PRESENT: Hakim Ouansafi, Executive Director
Barbara Arashiro, Executive Assistant
Chong Gu, Chief Financial Management Advisor
Becky Choi, State Housing Development Administrator
Kiriko Oishi, Chief Compliance Officer
Dawn Takeuchi Apuna, Chief Planner
Joanna Renken, Public Housing Supervisor VI
Sam Liu, Contract Administration Supervisor
Renee Blondin-Nip, Hearings Officer
Gary Nakatsu, Data Processing Supervisor
Rick Sogawa, Contracts & Procurement Officer
Clarence Allen, Fiscal Officer
Stephanie Fo, Section 8 Branch Chief
Dean Sakata, Housing Development Specialist
Benjamin Park, Planner
Kau'i Martinez, Resident Services Program Specialist
Taryn Chikamori, Secretary to the Board

OTHERS PRESENT (and signing in as):
Augafa Ene, Mayor Wrights Homes resident
Uilani Goods, Medical-Legal Partnership

Fetu Kolio, private resident
Andrew Nakoa Sr., Mayor Wright Homes resident
Tyler Dos Santos-Tam, Hawaii Construction Alliance

Proceedings:

Chairperson Shim declared a quorum present.

Chairperson Shim informed the Board and the public that HPHA management requested an amendment to the agenda. Chairperson Shim requested a motion to amend the Board agenda as follows.

Director Medeiros moved,

To Amend the Board agenda to remove from agenda item IV.B.1 to “Reinstate the exemption from civil service of persons hired or contracted to perform skilled repair or maintenance work on the HPHA’s vacant public housing units that was granted by Act 159 Session Laws of Hawaii 2012, but expired July 1, 2015.”

The motion was unanimously approved.

Approval of Minutes:

Director Espero moved,

To approve the Annual Meeting Minutes of August 20, 2015.

The minutes were unanimously approved as presented.

Director Medeiros moved,

To approve the Regular Meeting Minutes of August 20, 2015.

Chairperson Shim made an amendment to correct the name of his organization from the Hawaii Economic Development Board to the Oahu Economic Development Board.

The minutes were unanimously approved as amended.

Executive Session Minutes were deferred until a later time.

Public Testimony

Laurie Santiago, United Public Workers (UPW), stated that she wanted to testify on agenda item IV.B.1 which was removed from the agenda. Ms. Santiago stated that she found it disturbing that the item was placed on the agenda while the HPHA was already in negotiations with the UPW on a multi-skilled worker pilot program. She stated that the UPW did not give the HPHA any indication that the memorandum of understanding for the pilot program would not be executed and felt that it was an indication of bad faith bargaining. Staff from the HPHA and the Department of Human Services (DHS) were fully engaged in negotiations with the UPW. The UPW will continue to take whatever steps necessary to move forward.

Director Wong reported that she was briefed by the DHS Personnel Office and reassured the Board and the UPW that the negotiations were occurring in good faith. Director Wong also expressed her appreciation to UPW and HPHA working in collaboration to execute the memorandum of understanding.

Fetu Kolio, private resident, stated that he does not support the reappointment of the Eviction Board members listed in agenda item IV. Mr. Kolio feels that his legal rights were violated in his eviction hearing and quoted portions from the Supreme Court ruling which reinstated his tenancy into public housing. He stated that he went to the HPHA's Applications Office three times and provided them a copy of the Supreme Court ruling, but was told that he has to reapply for housing. He does not agree that he needs to be recertified and feels that there is a conspiracy against him.

Andrew Nakoa Sr., Mayor Wright Homes resident, stated that he has problems with maintenance not timely responding to issues. He has reported that his clothes line needs repair and that trash has piled up for over three weekends near the dumpster. He stated that he called the office to remove the trash, but they did not clear it. The community then cleaned the area themselves. He commented that he is aware that maintenance are busy and do a good job, but have recently been lacking. Mr. Nakoa also reported that the security company is not enforcing loitering. He stated that there was a stabbing on the property and that the Honolulu Police Department was there, but security were not present. He has supported in-house security for the past ten years. He recommends that HPHA pursue in-house security and that he would be part of that security.

Chairperson Shim asked whether there was any other item on the agenda that Mr. Nakoa would like to provide testimony on. Mr. Nakoa indicated that there were no other items he wanted to provide testimony on.

Chairperson Shim asked if there was any other public testimony. No additional public testimony was provided.

For Action:

Director Espero moved,

To Appoint the Following Individual for a Four-Year Term:

1. **Louanne K. L. Kam to the Oahu Eviction Board; and**

To Reappoint the Following Individuals for an Additional Four-Year Terms

1. **Chunmay Chang to the Oahu Eviction Board whose term expires in November 2015;**
2. **Wanda Camara to the Oahu Eviction Board and as a Floating Resident Member whose term expires in December 2015**

Executive Director Ouansafi expressed appreciation for the above listed individuals who confirmed their continued interest in volunteering to serve on the Eviction Board. The Eviction Board is a necessary component of the eviction process as it provides the tenants with the opportunity to have an independent body review the merits of their proposed eviction, rather than just the HPHA staff.

Executive Director Ouansafi stated that Ms. Kam is an Attorney and Certified Public Accountant who has expressed a willingness to serve as a board member on the Oahu Eviction Board. Both Ms. Chang and Ms. Camara have also expressed a willingness to serve 4-year terms as Board members. Executive Director Ouansafi requested a revision to page 2 of the For Action to change their "2-year terms" to "4-year terms".

Director Medeiros asked whether any of the Eviction Board members were present at the HPHA's Board meeting. Executive Director Ouansafi confirmed that none of the three Eviction Board members were present.

The motion was unanimously approved.

For Action:

Director Medeiros moved the amended motion:

To Approve Draft Legislative Proposals for the 28th Legislature regarding the Hawaii Public Housing Authority and to Authorize the Executive Director to Submit Proposed Legislation to the Office of the Governor, including the following proposals:

1. **As a housekeeping measure, to provide an exception for HPHA titled lands from "public lands" under Hawaii Revised Statutes (HRS) §171-2.**

2. **House Bill 768, House Draft 2, Senate Draft 2, Relating to the Hawaii Public Housing Authority. Expands the HPHA's authority to dispose of property seized, abandoned or remaining upon eviction in and around federal, elder or elderly, or state low-income housing projects.**
3. **House Bill 767, House Draft 2, Senate Draft 1, Relating to the Hawaii Public Housing Authority. Provides that certain areas HPHA housing projects are closed to the public and amends criminal trespass in the second degree to permit the prosecution of an unauthorized entry or a violation of a written prohibition to enter into the subject housing projects. Clarifies requirements for signage.**

Director Darcy requested an explanation on the procedures relating to property that is seized and whether there is a distinction made between items of nominal value (e.g., old chair) versus personal identification.

Executive Director Ouansafi explained that House Bill 768 was held over from last session and will make the State program rules consistent with the program rules for the federal public housing program. He clarified that when tenants are evicted or abandon their unit they typically "leave behind junk". However, if there is anything of value, the HPHA will inventory the item and store or sell the item and retain the proceeds for the owner. The HPHA also provides tenants with ample time to retrieve their belongings from the unit. Previously, the HPHA was required to hold all of the tenant's abandoned belongings in the unit and was unable to conduct renovations on the vacant unit until the waiting period was over. This change will help HPHA to expedite the repair of vacant units.

Executive Director Ouansafi explained that management requested that agenda item IV.B.1 be amended to remove the request for exemption from civil service this morning as the executed memorandum of understanding (MOU) was only received from the UPW. He explained that the HPHA, DHS, the Department of Human Resource Management (DHRD) and the UPW spent countless hours negotiating the MOU. Management is committed to providing the Board with status reports and leaving the item on the agenda allowed for public discussion. He further explained that the agenda is prepared well in advance of the meeting and at the time of filing the public notice, the UPW still had not executed the MOU. Executive Director Ouansafi confirmed, however, that the UPW delivered the signed MOU the morning of the Board meeting and as such, management requested the item be removed from the Board agenda.

Executive Director Ouansafi reported that during the initial application phase, only one staff person had expressed interest in joining the multi-skilled worker pilot program. The HPHA still has approximately 40 positions that need to be filled and are looking at alternatives to expedite the hiring and training of new staff. He reiterated that the HPHA is committed to the success of the multi-skilled worker pilot program and that we believe

that the UPW is also sincere in their desire to see the pilot program succeed. Executive Director Ouansafi also reported, however, that it was important to have an opportunity to have discussions with the Board on the topic.

Executive Director Ouansafi reported that the HPHA will continue to support House Bill 767 which provides that certain areas of the HPHA housing projects are closed to the public and amends criminal trespass in the second degree. Executive Director Ouansafi reported that someone (a non-tenant) had erected a tent on one of the public housing properties and refused to move. The person asserted that the project was State property and he had a right to erect his tent on State property.

Executive Director Ouansafi explained that the HPHA would also like to request the Legislature to remove the cap on the number or percentage of public housing tenants that can be hired at its properties.

Director Wong requested clarification on the process to adopt the proposed bill to expand the HPHA's ability to hire tenants as it was not listed on the agenda.

Director Medeiros requested clarification on the language used on the agenda which states "Submit Proposed Legislation to the Office of the Governor, including the following proposals", as opposed to "including, but not limited to". Director Medeiros questioned whether there were additional proposals that were being submitted or under consideration.

Executive Director Ouansafi apologized and clarified that although the proposal regarding the tenant aide was discussed in the Board packet, it was not listed on the agenda. He also suggested that the Board may consider the additional proposal at the next month's meeting.

Deputy Attorney General clarified that the language "including, but not limited to" would still only relate to the proposals listed on the agenda.

Chairperson Shim called for a recess at 10:03 am and reconvened at 10:14 am.

Director Wong moved:

To Amend the Amended Motion to Approve Draft Legislative Proposals for the 28th Legislature regarding the Hawaii Public Housing Authority and to Authorize the Executive Director to Submit Proposed Legislation to the Office of the Governor to include a Proposal to amend 76-16(b)(21) to include "employees hired under the tenant hire program of the Hawaii Public Housing Authority", thus deleting the current limitation where the HPHA can only hire 26% of a housing project's workforce.

The motion to amend the amended motion passed unanimously.

Director Medeiros expressed her appreciation to HPHA, DHS, DHRD and UPW for their work on the multi-skilled worker pilot program MOU which was executed that morning. Director Medeiros felt that the HPHA did negotiate in good faith. She further commented that she appreciated that the proposed exemption was on the agenda for the Board. As the meetings with staff occur only once a month, the Board did not know where the MOU stood and she appreciated that it was on the agenda until the agreement was actually signed.

Director Wong moved:

To go into Executive Session with the Board Members pursuant to Hawaii Revised Statutes sections 92-4 and 92-5(a)(4) to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to draft Legislative Proposals for the 28th Legislature regarding the Hawaii Public Housing Authority

The motion was unanimously approved.

The Board entered Executive Session at 9:56 am and reconvened at 10:36 am

Chairperson Shim reported that the Board consulted with its attorney on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities as related to draft Legislative Proposals for the 28th Legislature regarding the Hawaii Public Housing Authority.

For Discussion/Information:

As part of the board orientation, Mr. Wils Choy, KMH LLC provided an overview of the HPHA's financial and compliance audit and financial management of the HPHA's programs. He explained that KMH LLC is under contract with the Office of the Auditor to conduct an independent financial and single audit of the HPHA. Mr. Choy stated that the HPHA's financial statements are a component unit of the State's Consolidated Annual Financial Report (CAFR) which is due in December. The Single Audit is due March 31, 2016.

Mr. Choy explained that the HPHA's financial statements are complicated and cover both governmental funds and proprietary funds. The purpose of the audit is to provide a report on how the funds are expended. He further explained that five years ago, the HPHA had difficulties with its financial management, including numerous control findings and numerous adjusting entries. He reported that over the last couple of years, the HPHA made tremendous improvement and the findings decreased in number and

severity. Mr. Choy reported that the HPHA's management has set the tone for the agency to correct its issues. A copy of the audited financial statements were provided to the Board.

Director Wong commented that KMH, LLC also conducted the audit for DHS.

Chairperson Shim thanked Mr. Choy for providing oversight.

For Information: Board Training by the U.S. Department of Housing and Urban Development

- **Conflict of Interest**
- **Public Housing Conflicts, Nepotism Restrictions**
- **Section 8 Conflicts**
- **Hatch Act**
- **Litigation Reporting**
- **Questions & Answers**

The Board received training by Mr. Ryan Okahara, Hawaii Field Office Director and Ms. Lora Han, legal counsel for the U.S. Department of Housing and Urban Development (HUD) which included an overview of the conflict of Interest, public Housing Conflicts, Nepotism Restrictions, Section 8 Conflicts, the Hatch Act, litigation reporting requirements.

Executive Assistant Arashiro made a clarification during the HUD presentation that during the issuance of the federal Corrective Action Order, HUD required the establishment of the HPHA's Procurement Office. She also clarified that the Board delegated procurement authority to the Executive Director and the Procurement Officer with the adoption of the Statement of Procurement Policy.

Attorney Han stated that the Board of Directors should continue to monitor procurement actions at HPHA.

HUD staffer Ms. Marie Miguel-Cortez distributed handouts on the federal programs administered by the Office of Public and Indian Housing.

Included at Attachment A is a copy of the HUD presentation and the handouts.

For Information: Orientation and Training for the HPHA's Board of Directors, including a broad overview of the HPHA as follows:

- **Purpose, Mission, Structure, and History of HPHA**
- **Roles of the Board & Executive Director**
- **Overview of the State and Federal Public Housing Program**
 - **The Annual Contributions Contract**
 - **Understanding the Public Housing Assessment System**

- **The HPHA's housing inventory**
- **Redevelopment, Construction, Modernization, Repair and Maintenance Issues**
- **Overview of the Housing Choice Voucher Section 8**
 - **Understanding the Section 8 Management Assessment Program**
- **Overview of Construction Activities at HPHA**
- **Overview of Program Management**
- **Overview of Financial Management of HPHA's programs**
- **Procurement and Contracting Requirements**
- **Ethics and Standards of Conduct for the Board and Staff**
- **Ongoing Programs & Projects**
- **Applicable Statutes, Rules, and Administrative Policies**
- **Previously Adopted Board Policies**
- **HPHA's Statement of Procurement Policy**
- **HPHA's Five Year and Annual Public Housing Agency Plan**
- **Organization Charts and Functional Statement**
- **Goals and Objectives**
- **Annual Reports**

The Board members introduced themselves to the staff as follows:

1. Laura Smith, Executive Director, Goodwill Hawaii
2. Rachael Wong, Director of the Department of Human Services
3. Alena Nani Medeiros, Executive Director, HomeAid Hawaii
4. Pono Shim, Chief Executive Officer, Oahu Economic Development Board
5. Jason Espero, continuing Board member
6. Lisa Darcy, Maui representative

The Board received training by Executive Director Ouansafi, Executive Assistant Arashiro, Chief Planner Dawn Takeuchi-Apuna, Chief Compliance Officer Kiriko Oishi, Chief Financial Management Advisor, Chong Gu, State Housing Development Administrator Becky Choi, Supervising Public Housing Manager Joanna Renken, Contract Administration Supervisor Sam Liu, Section 8 Branch Chief Stephanie Fo, Hearings Officer Renee Blondin-Nip, Data Processing Supervisor Gary Nakatsu, Contracts & Procurement Officer Rick Sogawa, and Personnel Officer Shirley Befitel. Each member of the management team introduced themselves and their relevant education and experience during their portion of the training.

Prior to the power point presentation, Executive Director Ouansafi pointed out that the information being presented was gathered from various resources (e.g., Hawaii Revised Statutes, HUD presentation) and that each slide reference is listed on the bottom right corner of the slide.

Executive Assistant Arashiro described information in the Board resource binder which included the following:

1. HPHA's online resources, including regulatory and statutory reference materials

2. §356-D, Hawaii Revised Statutes
3. §15-181, Hawaii Administrative Rules, Resident Advisory Board
4. §15-184, Hawaii Administrative Rules, Rent Supplement Program
5. §17-2000, Hawaii Administrative Rules, Rules of Practice and Procedure
6. §17-2020, Hawaii Administrative Rules, Eviction
7. §17-2021, Hawaii Administrative Rules, Grievance Procedure
8. HPHA By-Laws of the Board of Directors
9. HPHA Non Profits, By-Laws for the Hawaii Housing Development & Services, Inc.
10. HPHA Non Profits, By-Laws for the HHA Wilikina Apartments Project, Inc.
11. Open Meetings: A Guide to Sunshine Law
12. Who Board Members Can Talk to and When
13. Hawaii State Ethics Guide
14. Robert's Rules of Order Cheat Sheet
15. Annual Contributions Contract Between the Housing Authority and the United States of America
16. HPHA's Standards of Conduct
17. HPHA's Policy on Security of Confidential Information
18. HPHA's Policy on Requests for Reasonable Accommodation and Modifications
19. HPHA's Policy on the Adoption of Board Policy and Establishment of Procedures
20. HPHA's Policy on Board Agenda Items
21. HPHA's Policy on the Board of Director's Role and Interaction with HPHA Staff
22. HPHA's Policy on Public Testimony and Recording of Board Meetings
23. HPHA's Policy on Communications
24. HPHA's Non-Violence in the Workplace Policy
25. HPHA's Drug-Free and Alcohol-Free Workplace Policy
26. HPHA's Statement of Procurement Policy
27. "Procurement Practices at Public Housing Agencies", PHA Governance and Financial Management training handout from HUD
28. HPHA's Organizational Charts
29. HPHA's Goals and Objectives, as listed in the HPHA's approved plan
30. HUD Approval of the HPHA's Annual Public Housing Agency (PHA) Plan submission
31. HPHA's Five Year and Annual Plan
32. HPHA's 2015 Annual Plan
33. FY 14-15 Annual Report to the Governor and the State Legislature
34. FY 2013-2014 Financial and Single Audit; including audits from the last ten years which are available to the public on the HPHA's website
35. List of HPHA's Priority Projects for mixed finance redevelopments
36. Request for Qualifications for Mayor Wright Homes
37. Request for Qualifications for the School Street Administrative Offices
38. Five Year Projection on Redevelopment Efforts
39. HPHA's Functional Statements
40. List of the HPHA's Public Housing Inventory
41. Understanding Public Housing Assessment System (PHAS), PHA Governance and Financial Management training handout from HUD

42. HPHA's Public Housing Assessment System Score Report for Interim Rule for the Fiscal Year End: 6/30/2013
43. HPHA's Public Housing Assessment System Score Report for Interim Rule for the Fiscal Year End: 6/30/2014
44. Understanding Section Eight Management Assessment Program (SEMAP), PHA Governance and Financial Management training handout from HUD
45. HPHA's SEMAP score for fiscal year ended 6/30/13, High Performer designation
46. HPHA's SEMAP score for fiscal year ended 6/30/14, High Performer designation
47. Board approved Operating and Capital Budget for FY 2015 – 2016.

The following questions came up during the course of the power point presentation:

Chairperson Shim asked what year the Hawaii Housing Authority was established. Executive Director Ouansafi stated that Hawaii Housing Authority was established in 1935 by the Territorial Legislature, two years prior to the U.S. Housing Act of 1937.

Director Medeiros asked whether the federal corrective action order affected the relationship between the HPHA and the Legislature. She asked whether the Legislature provided funds to the HPHA to help close the corrective action order and now that it is closed has it improved relations. Executive Assistant Arashiro responded that when the corrective action order was initially issued, the State did not provide additional funds to the HPHA to come into compliance. She surmised that since the issues were with the federal public housing program, the State expected the HPHA to use its federal funds to address its programmatic issues. Executive Director Ouansafi added that the HPHA has a good relationship with the Legislature. He indicated that although the HPHA does not always receive the requested appropriations, we understand that there is a lot of need and competition for those funds across all State departments.

Director Espero asked what determines whether a unit is a federal or state housing unit. Executive Director Ouansafi responded that the funding received for each unit determines whether it is considered a federal unit or a State unit. The federal units receive federal subsidy from HUD. The State units only receive income through rent revenue.

Executive Director Ouansafi explained that the HPHA has plans for transit-oriented development of additional low income and affordable housing units along the rail line. He reported that HPHA met with neighborhood boards to explain the HPHA's plans as many were under the mistaken impression that the HPHA only intended to develop housing in Kalihi. Director Espero asked what the timeline was for development. Executive Director Ouansafi explained that there is a spreadsheet later in the presentation regarding proposed redevelopment. He also indicated that the HPHA is working on three projects: Kuhio Park Terrace, Mayor Wright Homes, and School Street Administrative Offices and additional redevelopment will depend on whether funds are available. He indicated that once the next legislative session is over, the HPHA may need to update the proposed development timelines.

Director Medeiros asked whether the hearings officer's presence is in lieu of representation by the AG's office. Executive Director Ouansafi confirmed that the Hearings officer presents the HPHA's case, but the AG's office is always on standby for consultation during a hearing. Deputy Attorney General Sugita further clarified that the Hearings Officer is like a prosecutor for the HPHA in federal public housing evictions. The AG's Office handles the eviction cases for the State public housing properties.

Director Darcy asked whether the Counties operate similar section 8 housing choice voucher programs as the HPHA. Executive Director Ouansafi confirmed that each of the counties operates a section 8 program. He further clarified that the HPHA has been operating the Veterans Affairs Supportive Housing (VASH) voucher program statewide for homeless veterans for several years. The City & County's program only came on line in the past couple of months.

Director Smith questioned whether the new City ordinance allowing landowners to create new accessory dwelling units will help with the section 8 program by increasing the housing inventory. Executive Director Ouansafi reported that the increase in accessory units may not immediately help the current section 8 voucher holders looking for units. He explained that we need to change the public perception that section 8 tenants are "bad tenants". Staff is working on incentives (e.g., guaranteed housing assistance payments, unit repairs) that will help encourage landlords to accept section 8 vouchers.

Director Espero asked whether the action taken earlier this year, to increase the payment standard to 110%, will help applicants in finding section 8 units. He also questioned whether the HPHA can offer to pay more rent than advertised if the rent being charged is not above the payment standard. Executive Director Ouansafi confirmed that the increase in payment standard has helped and that HPHA could pay more for a unit as long as it passes the rent reasonableness standards.

Chairperson Shim questioned whether the 2 main challenges of leasing section 8 vouchers could be best summarized as: 1) Rents in Hawaii are too high; and 2) Inventory of affordable units is low. The Executive Director Ouansafi confirmed that those are two major challenges related to leasing section 8 vouchers. He also reported that the military pays more for housing assistance subsidies.

Chairperson Shim commented that the HPHA should have a training for section 8 voucher holders about how to be a good renter. Stephanie Fo confirmed that the HPHA holds briefings for the voucher holders.

Director Wong left the meeting at approximately 1:30 pm.

Director Espero asked about the benefits of being designated a high performer under the Public Housing Assessment System.

Executive Director Ouansafi responded that PHAs designated as high performers often receive preference points in some grants, or they can qualify for other exemptions or exceptions, and are eligible to apply for Moving-To-Work (MTW) status. Being a high performer allows the HPHA to submit streamlined reports. The high performer designation provides confirmation that a PHA is being satisfactorily managed according to federal standards. Additionally, under the REAC inspections, you don't have your properties inspected every year by HUD. Being designated a high performer is an expectation at the HPHA.

Director Espero asked whether the HPHA can require voucher holders to participate in the Family Self-Sufficiency (FSS) Program. Director Espero commented that if the goal is to get tenants to become self-sufficient, this program may help tenants to become more independent.

Executive Director Ouansafi responded that the HPHA cannot require section 8 voucher holders to participate in the FSS program. HUD rules state that participation is voluntary. You could pass legislation to make it mandatory for the State public housing program, but it would not apply to the federal program. Executive Assistant Arashiro also explained that the federal public housing program has an earned income disregard which requires that the HPHA disregard the increase in income of a tenant who was previously unemployed or was participating in a training or self-sufficiency program.

Chairperson Shim asked whether the HPHA could qualify for the MTW program. Executive Director Ouansafi confirmed that HPHA could potentially be designated as a MTW agency like the Alaska public housing authority which received the designation through legislation. He also confirmed that HPHA has met with Hawaii's congressional delegation to discuss this matter.

Deputy Attorney General Sugita pointed out that the rules on conflict of interest are strict. The powerpoint slides included the following information:

Slide #104: The HPHA and its contractors/subcontractors **may not enter into a contract or arrangement** in connection with a project under the ACC in which they have a **direct or indirect interest** or in which any of the classes of people on the following slide have an interest.

Slide #105: Members of these **four classes** must disclose their interest to HUD and the HPHA:

1. Any present or former member or **officer of the governing body**.
2. Any member of the **officer's immediate family**.
3. Any member of the HPHA that **formulates policy or has influence on decisions** with respect to projects.
4. Any public official, member of the local governing body or State/local legislator or any member of the individual's immediate family who **exercises functions or responsibilities with respect to HPHA projects**.

Director Darcy asked for clarification on what does "past" mean (referring to chart of HPHA past, present, and future). Executive Director Ouansafi clarified that "past" means prior to his time at the agency.

Included at Attachment B is a copy of the HPHA's power point presentation to the Board.

Chairperson Shim deferred the remaining items on the agenda.

Adjournment

With the loss of quorum, Chairperson Shim ended the Regular Meeting.

The meeting ended at approximately 3:00 p.m.

MINUTES CERTIFICATION

Minutes Prepared by:



Barbara E. Arashiro
Executive Assistant

OCT 15 2015

Date

Approved by the Hawaii Public Housing Authority Board of Directors at their Regular Meeting on October 15 2015: [] As Presented [] As Amended



Director Espero/Board Secretary

OCT 15 2015

Date

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Public Housing Ethics

Hawaii Public Housing Authority
Board of Commissioners Training

September 17, 2015

The logo of the U.S. Department of Housing and Urban Development (HUD) is circular. It features a stylized building with vertical bars of varying heights in the center. The text "U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT" is written around the perimeter of the circle, with two stars on either side of the central building graphic.

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Learning Objectives

At the end of this session, participants should be able to:

- Adhere to Federal, state and local laws
- Identify areas of concern for resolution
- Assess potential conflicts
- Elevate questions to HA counsel or HUD counsel

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Discussion Topics

- Conflicts of Interest
- Hatch Act
- Litigation Reporting

4

Federal Sources of Authorities

Program/Activity	Topic	Citations
Procurement	Conflicts of Interest in Contracts	24 C.F.R. § 85.36(b)(3), HUD Handbook 7460.8 Rev. 2 (3/07)
Public Housing	Conflicts of Interest in Contracts	Section 19(A) of Annual Contributions Contract (ACC)
Public Housing	Nepotism Restrictions	Section 19(B) of ACC
Section 8	Conflicts of Interest in Contracts	24 C.F.R. § 982.161, Section 13 of the Housing Assistance Payments Contract
Public Housing and Section 8	Litigation Reporting	HUD Handbook 1530.1, Rev. 5, Chap. 5
Hatch Act	Political Activity	5 U.S.C. §§ 1501-1508 5 C.F.R. §151

Federal and State Law

- Both federal and state law apply to public housing authorities
- General rule of thumb is that the most stringent rule applies
- Waivers may not be granted for conflicts that violate state law

Conflicts of Interest

Housing Authority Plans/Policies

- Housing Authority (HA) must use their own procurement plan/procedures that conform to applicable Federal, state and local law.
- HA must maintain a written code of standards governing the performance of their employees engaged in the award and administration of contracts.

Procurement | Conflicts of Interest

- PHA employee, officer or agent may not participate in the selection, award or administration of a contract supported by Federal funds if:
 - The employee, officer or agent,
 - Any member of his immediate family
 - His partner;
 - Or an organization which employs him

has a financial interest or other interest in the firm selected for the award.

Procurement Conflicts | Definitions

- “Immediate family member” is:
 - spouse
 - children
 - mother or father
 - brothers or sisters
 - “half” or “step” relatives included
- This definition also applies to Public Housing conflicts



Procurement Conflict Quiz

Bay County HA sought a contractor to complete a parking lot by sealed competitive bids.

- The project will be funded with Capital Grant funds.
- Eric Smith and Associates is the engineering firm which will oversee the project.
- Jones Constructors, Inc. was the low bidder for the job and has been selected for the award of this contract.
- The principles of both the engineering firm and the construction company are step-brothers.

Is this a procurement or non-procurement issue?

This is a procurement of construction services covered by 24 CFR §85.36.



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Can Bay County HA award the contract to Constructors?

A

Yes, because although Eric Smith and the principle of Jones Constructors, Inc. are step-brothers, Bay County HA secured the bid by sealed competitive bid.

B

Yes, because they are not immediate family members.

C

No, a conflict of interest exists because they are immediate family members.

D

No, as long as Eric does not physically handle the money being paid to Jones Constructor's Inc.

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Answer for procurement conflict is...

C

No, a conflict of interest exists because they are immediate family members.

- Conflict of interest exists for an agent of the HA to administer a contract supported by Federal funds if a member of his "immediate family" has a financial interest in the company selected for the award.
- Conflict of Interest for Eric Smith & Associates to administer a construction contract funded with Capital Grant money, since Eric Smith's step-brother is the President of Jones Constructors, Inc.

Public Housing Conflicts



HA, its contractors and subs may not enter into a contract in connection with a project under the ACC if the following persons have an interest in the contract:

1. Present or former members or officers of the HA or their immediate families.
2. Employees of the HA, their immediate families or partners who:
Formulate policy or who influence decisions regarding the project(s).
3. Public officials, members of the local government body, or state or local legislators, or their immediate families who:
Exercise functions or responsibilities regarding the project(s) or the HA.

Restriction applies during the person's tenure and for one year thereafter.

Public Housing Conflicts

- Conflicts must be disclosed to the HA and HUD
- HUD may waive conflicts for good cause; IF permitted under State and Local law
 - Person requiring waiver cannot exercise responsibilities or functions regarding the contract to which the waiver pertains

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Public Housing Conflict Quiz

“Thrifty” Waters is the Executive Director of the Island HA.

- His wife, Alice, builds web sites as a sideline when she is not running her restaurant.
- “Thrifty” would like his wife to build the HA a web site since she can do the job “cheaper” than her competitors.
- You advise “Thrifty” that this “looks like” a conflict under Section 19 of the ACC, Part A, and he would need to request a wavier from HUD.

Should “Thrifty” have “smooth sailing” with a waiver request to HUD?

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Should “Thrifty” have “smooth sailing” with a waiver request to HUD?

A

Yes.

B

No.

Answer for public housing conflict is...

B

No.

- **Section 19(A)(3) provides:**
 - HUD may waive a conflict of interest for good cause, “if permitted under State and local law”.
 - And that “no person for whom a waiver is requested may exercise responsibilities or functions with respect to the contract to which the waiver pertains...”
- **As part of the waiver request, the HA must submit an attorney’s opinion that a waiver of Section 19(A)(1) is permitted by State law.**
- **Moreover, “Thrifty” could not “administer” his wife’s contract. The HA Board of Commissioners would have to make other arrangements, acceptable to HUD, for the contract administration.**

Public Housing Conflicts Nepotism Restrictions

- **HA may not hire a person in connection with a project if the prospective employee is the immediate family member of:**
 - Present or former member or officer of governing body of HA (former tenant commissioner – some exceptions)
 - Employee of HA who makes policy or influences decisions with respect to projects
 - Public official, member of local governing body, or State or local legislator, who exercises functions or responsibilities with respect to projects or HA

Public Housing Conflicts Nepotism Restrictions

- Prohibition applies during class member's term and for one year thereafter
- Member shall disclose family ties to HA and HUD
- These requirements may be waived by Board of Commissioners for good cause, provided such waiver is permitted by State and local law
- Board's determination of good cause should be well documented

Public Housing Conflict Quiz

The Metropolitan HA just lifted its hiring freeze. The HA would like to hire Mona Lisa as a receptionist.

- Mona is the step-sister of Leonardo da Vinci, the HA's Chief of Maintenance and Painting.
- Mona's salary will be paid with Recovery Act funds.

Is there a conflict of interest?

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Is there a conflict of interest?

A Yes.

B No.

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Answer for public housing conflict is...

B No.

- **Section 19(B)(1)(ii) of the ACC provides in part:**
 - “The HA may not hire an employee in connection with a project under this ACC if the prospective employee is an immediate family member of any person belonging to one of the following classes:
 - (ii) Any employee of the HA who formulates policy or who influences decisions with respect to the project(s).”
- **The HA’s Chief of Maintenance and Painting would not normally formulate policy or influence decisions with respect to the project(s).**

Section 8 Conflicts

HA, its contractors and subs may not enter into a contract in connection with tenant-based programs if the following persons have an interest in the contract:

1. Present or former members or officers of a HA (except participant commissioners)
2. Contractors, subs or agents of a HA who formulate policy or who influence decisions regarding the programs.
3. Public officials, members of governmental bodies, or state or local legislators, who exercise functions or responsibilities regarding programs.
4. Member of U.S. Congress

Restriction applies during the person's tenure and for one year thereafter.

Section 8 Conflicts

- Any conflicts must be disclosed to the HA and HUD
- Conflicts of interest may be waived by HUD for good cause

Section 8 Conflict Quiz

Marvin Manager is the administrator of two apartment projects in Crystal River that participate in HUD's Section 8 voucher program through the Crystal River HA.

- Marvin is also a HA commissioner.

Is there a problem with Marvin Manager's dual role as a commissioner and project administrator?

A

Yes, this is fine as long as he does not abuse it.

B

Yes, because the commissioner does not directly oversee Section 8 funding.

C

Yes, a conflict of interest exists.

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Answer for Section 8 conflict is...

C

Yes, a conflict of interest exists.

- HUD's Section 8 Housing Choice Voucher regulations provide that the HA may **not** enter into any contract in connection with tenant-based programs in which any present member of the HA has an interest: *24 CFR §982.161(a)(1)*.
- Marvin must resign from the HA Board or the HA must seek a waiver of the conflict of interest from HUD.

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Hatch Act

Public Housing and The Hatch Act

You may

- Be a candidate in non-partisan election
- Attend political meetings/conventions
- Contribute money
- Campaign in partisan elections
- Hold office in political parties

You may not

- Be a candidate in partisan election
- Use official influence to interfere in election
- Coerce political contributions from subordinates in support of political party or candidate

FAQ's For The Hatch Act



- As a HA employee, can I help sponsor a candidate for the Democratic party for a State Senator?
 - Yes, but you cannot coerce contributions from subordinates in attendance in support of your candidate
 - You can make a personal contribution to his campaign
- Can a HA employee be a delegate to the Republican National Convention?
 - Yes, you are permitted to run for election and hold office in a political party.
- Is it okay for HA employee to run for school board?
 - Yes, but only if the election is nonpartisan
 - An election is partisan if any candidate is running as a representative of a party whose presidential candidate received electoral votes in the last presidential election

Litigation Reporting

Litigation Reporting

- Reporting Requirement for HA litigation involving HUD programs or HUD funds
- Concurrence requirement for initiation, appeal or settlement of litigation involving HA programs or funds
- Excludes routine evictions actions and Section 8 program litigation



Litigation Reporting

Housing Authority (HA) is required to notify the HUD Regional Counsel if HA is involved in, or threatened with, any litigation involving:

- Construction or application of: a Federal, or state constitution, statute, or regulation, a HUD assistance contract, or a cooperation agreement; or
- If an adverse judgment would be satisfied from funds obtained at any time from HUD

Litigation Reporting

HUD's Regional Counsel's written concurrence is required prior to any of the following:

- Initiation of litigation by HA, excluding routine eviction actions
- An appeal from an adverse judgment
- A settlement arising out of litigation
- Procurement of private legal services expected to exceed \$100,000

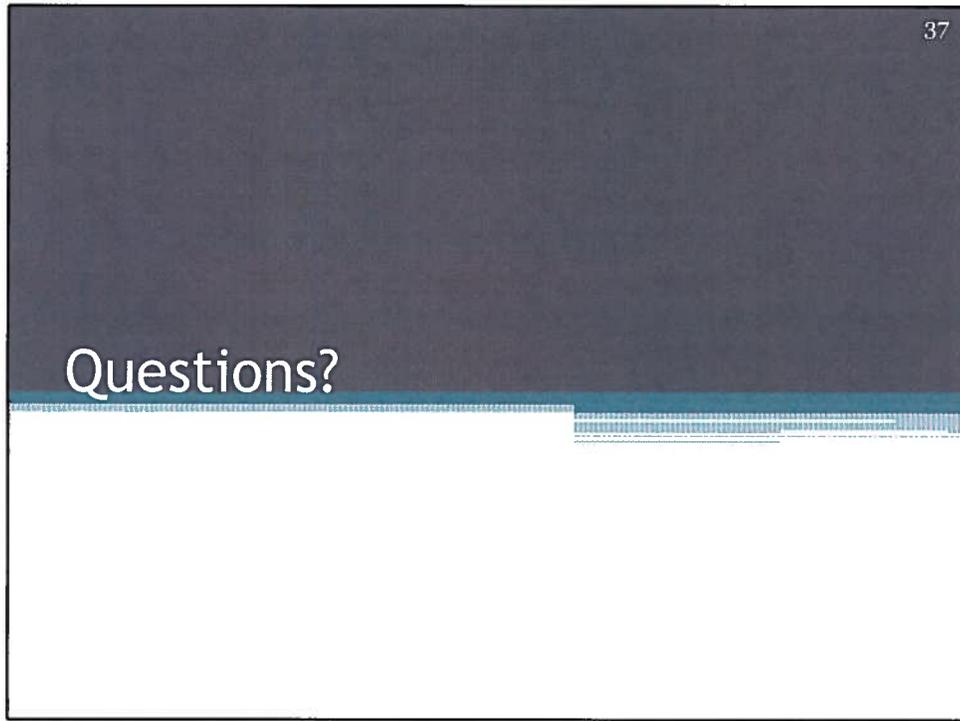
Note: Excludes Section 8 Program litigation

When in doubt?

- Consult your PHA counsel
- Contact your HUD Public Housing Specialist to resolve a question or conflict

Summary

- If you believe there is a potential conflict of interest (real or apparent), notify the Housing Authority and HUD!



HUD > Program Offices > Public and Indian Housing > PIH > Public Housing > Public Housing Programs

Public Housing Programs

PIH Programs

Below is a summary of public housing programs within the Office of Public and Indian Housing:

Capital Fund

The Capital Fund provides funds to housing authorities to modernize public housing developments.

Demolition/Disposition

The Demo/Dispo program was created in an effort to help eliminate old, run down public housing.

Homeownership

A Public Housing Authority (PHA) may sell all, or a portion of, a public housing development to eligible residents or resident organizations, for purposes of homeownership, provided that a Homeownership Plan has been submitted by the PHA and has been approved by HUD.

HOPE VI

Since 1993, HOPE VI has been the engine driving the revitalization of the Nation's most distressed public housing developments by providing grants and unprecedented flexibility to address the housing and social service needs of their residents.

Housing Choice Vouchers (Formerly Section 8)

Allow very low-income families to choose and lease or purchase safe, decent, and affordable privately-owned rental housing.

Mixed-Finance Public Housing

Mixed-Finance public housing allows HUD to mix public, private, and non-profit funds to develop and operate housing developments. These new developments are built for residents with a wide range of incomes, and are designed to fit into the surrounding community.

Moderate Rehabilitation

Provides project-based rental assistance for low income families. The program was repealed in 1991 and no new projects are authorized for development. Assistance is limited to properties previously rehabilitated pursuant to a housing assistance payments (HAP) contract between an owner and a Public Housing Agency (PHA).

Moving to Work Demonstration (MTW)

MTW is a demonstration program that allows housing authorities (Has) to design and test ways to give incentives to families to become economically self-sufficient, achieve

programmatic efficiencies, reduce costs, and increase housing choice for low-income households.

Operating Fund

The Public Housing Operating Fund provides operating subsidies to housing authorities (HAs) to assist in funding the operating and maintenance expenses of their own dwellings, in accordance with Section 9 of the U.S. Housing Act of 1937, as amended. The subsidies are required to help maintain services and provide minimum operating reserves.

Rental Housing Integrity Improvement Project (RHIP)

Develops and implements plans which address HUD's high risk rental housing subsidy programs.

Resident Opportunities and Self Sufficiency (ROSS) and Neighborhood Networks (NN)

The ROSS program links services to public housing residents by providing grants for supportive services, resident empowerment activities and activities to assist residents in becoming economically self-sufficient.

Additional program(s) websites on HUD.gov

HUD-VASH Vouchers

http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/vash

HUD Homelessness Assistance and Mayors' Challenge

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/homeless

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/veteran_information/mayors_challenge/mayors_and_staff

Project Based Vouchers

http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/project

Rental Assistance Demonstration

<http://portal.hud.gov/hudportal/HUD?src=/RAD>

PHA plan

http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/pha

PHA required Program Plans

http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_11747.pdf

HUD Style Asset Management

https://portal.hud.gov/hudportal/documents/huddoc?id=DOC_9848.pdf

HUD offices: Hawaii

<http://portal.hud.gov/hudportal/HUD?src=/states/hawaii/offices>

HUD > Topic Areas > Rental Assistance > HUD's Public Housing Program

HUD's Public Housing Program

WHAT IS PUBLIC HOUSING?

Public housing was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. Public housing comes in all sizes and types, from scattered single family houses to highrise apartments for elderly families. There are approximately 1.2 million households living in public housing units, managed by some 3,300 HAs. The U.S. Department of Housing and Urban Development (HUD) administers Federal aid to local housing agencies (HAs) that manage the housing for low-income residents at rents they can afford. HUD furnishes technical and professional assistance in planning, developing and managing these developments.

WHO IS ELIGIBLE?

Public housing is limited to low-income families and individuals. An HA determines your eligibility based on: 1) annual gross income; 2) whether you qualify as elderly, a person with a disability, or as a family; and 3) U.S. citizenship or eligible immigration status. If you are eligible, the HA will check your references to make sure you and your family will be good tenants. HAs will deny admission to any applicant whose habits and practices may be expected to have a detrimental effect on other tenants or on the project's environment.

HAs use **income limits** developed by HUD. HUD sets the **lower income** limits at 80% and **very low income** limits at 50% of the median income for the county or metropolitan area in which you choose to live. **Income limits** vary from area to area so you may be eligible at one HA but not at another. The HA serving your community can provide you with the income levels for your area and family size, or you can also find the **income limits** here on the internet.

HOW DO I APPLY?

If you are interested in applying for public housing, contact your **local HA**. If you have trouble contacting the HA, contact the local **HUD Field Office**.

HOW DOES THE APPLICATION PROCESS WORK?

The application must be written. Either you or the HA representative will fill it out. An HA usually needs to collect the following information to determine eligibility:

- (1) Names of all persons who would be living in the unit, their sex, date of birth, and relationship to the family head;
- (2) Your present address and telephone number;
- (3) Family characteristics (e.g., veteran) or circumstances (e.g., living in substandard housing) that might qualify the family for tenant selection preferences;
- (4) Names and addresses of your current and previous landlords for information about your family's suitability as a tenant;
- (5) An estimate of your family's anticipated income for the next twelve months and the sources of that income;
- (6) The names and addresses of employers, banks, and any other information the HA would need to verify your income and deductions, and to verify the family composition; and
- (7) The PHA also may visit you in your home to interview you and your family members to see how you manage the upkeep of your current home.

After obtaining this information, the HA representative should describe the public housing program and its requirements, and answer any questions you might have.

WILL I NEED TO PRODUCE ANY DOCUMENTATION?

Yes, the HA representative will request whatever documentation is needed (e.g., birth certificates, tax returns) to verify the information given on your application. The PHA will also rely on direct verification from your employer, etc. You will be asked to sign a form to authorize release of pertinent information to the PHA.

WHEN WILL I BE NOTIFIED?

An HA has to provide written notification. If the HA determines that you are eligible, your name will be put on a waiting list, unless the HA is able to assist you immediately. Once your name is reached on the waiting list, the HA will contact you. If it is determined that you are ineligible, the HA must say why and, if you wish, you can

request an informal hearing.

WILL I HAVE TO SIGN A LEASE?

If you are offered a house or apartment and accept it, you will have to sign a lease with the HA. You may have to give the HA a security deposit. You and the HA representative should go over the lease together. This will give you a better understanding of your responsibilities as a tenant and the HA's responsibilities as a landlord.

ARE THERE ANY SELECTION PREFERENCES?

Sometimes there are. Giving preference to specific groups of families enables an HA to direct their limited housing resources to the families with the greatest housing needs. Since the demand for housing assistance often exceeds the limited resources available to HUD and the local HAs, long waiting periods are common. In fact, an HA may close its waiting list when there are more families on the list than can be assisted in the near future.

Each HA has the discretion to establish preferences to reflect needs in its own community. These preferences will be included in the HAs written policy manual. You should ask what preferences they honor so you will know whether you qualify for a preference.

HOW IS RENT DETERMINED?

Your rent, which is referred to as the Total Tenant Payment (TTP) in this program, would be based on your family's anticipated gross annual income less deductions, if any. HUD regulations allow HAs to exclude from annual income the following allowances: \$480 for each dependent; \$400 for any elderly family, or a person with a disability; and some medical deductions for families headed by an elderly person or a person with disabilities. Based on your application, the HA representative will determine if any of the allowable deductions should be subtracted from your annual income. Annual income is the anticipated total income from all sources received from the family head and spouse, and each additional member of the family 18 years of age or older.

The formula used in determining the TTP is the highest of the following, rounded to the nearest dollar:

(1) 30 percent of the monthly adjusted income. (Monthly Adjusted Income is annual income less deductions allowed

by the regulations);

(2) 10 percent of monthly income;

(3) welfare rent, if applicable; or

(4) a \$25 minimum rent or higher amount (up to \$50) set by an HA.

WHAT IS THE ROLE OF THE HA?

An HA is responsible for the management and operation of its local public housing program. They may also operate other types of housing programs.

(1) On-going functions: (a) Assure compliance with leases. The lease must be signed by both parties; (b) Set other charges (e.g., security deposit, excess utility consumption, and damages to unit); (c) Perform periodic reexaminations of the family's income at least once every 12 months; (d) Transfer families from one unit to another, in order to correct over/under crowding, repair or renovate a dwelling, or because of a resident's request to be transferred; (e) Terminate leases when necessary; and (f) maintain the development in a decent, safe, and sanitary condition.

(2) Sometimes HAs provide other services, that might include such things as: homeownership opportunities for qualified families; employment training opportunities, and other special training and employment programs for residents; and support programs for the elderly.

HOW LONG CAN I STAY IN PUBLIC HOUSING?

In general, you may stay in public housing as long as you comply with the lease.

If, at reexamination your family's income is sufficient to obtain housing on the private market, the HA may determine whether your family should stay in public housing.

HUD > Program Offices > Public and Indian Housing > PIH > Office of Housing Choice Vouchers > About the Housing Choice Vouchers Program > Housing Choice Vouchers Fact Sheet

Housing Choice Vouchers Fact Sheet

What are housing choice vouchers?

The housing choice voucher program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments.

The participant is free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing projects.

Housing choice vouchers are administered locally by public housing agencies (PHAs). The PHAs receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program.

A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family's choice where the owner agrees to rent under the program. This unit may include the family's present residence. Rental units must meet minimum standards of health and safety, as determined by the PHA.

A housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program. Under certain circumstances, if authorized by the PHA, a family may use its voucher to purchase a modest home.

Am I eligible?

Eligibility for a housing voucher is determined by the PHA based on the total annual gross income and family size and is limited to US citizens and specified categories of non-citizens who have eligible immigration status. In general, the family's income may not exceed 50% of the median

Jump to...

- › **What are housing choice vouchers?**
- › **Am I eligible?**
- › **Local preferences and waiting lists - What are they and do they affect me?**
- › **Housing vouchers - How do they function?**
- › **How do PHAs apply for voucher funding from HUD?**
- › **The rent subsidy**
- › **Can I move and continue to receive housing choice voucher assistance?**
- › **Roles - the tenant, the landlord, the housing agency and HUD ?**
- › **Additional information and other subsidy programs**
- › **What regulations cover this program?**

Related Information

- › **Forms and guidance**
- › **24 CFR Part 982**
- › **PIH Notices related to housing choice vouchers**

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income for the county or metropolitan area in which the family chooses to live. By law, a PHA must provide 75 percent of its voucher to applicants whose incomes do not exceed 30 percent of the area median income. Median income levels are published by HUD and vary by location. The PHA serving your community can provide you with the income limits for your area and family size.

During the application process, the PHA will collect information on family income, assets, and family composition. The PHA will verify this information with other local agencies, your employer and bank, and will use the information to determine program eligibility and the amount of the housing assistance payment

If the PHA determines that your family is eligible, the PHA will put your name on a waiting list, unless it is able to assist you immediately. Once your name is reached on the waiting list, the PHA will contact you and issue to you a housing voucher.

How do I apply?

If you are interested in applying for a voucher, contact the **local PHA**. For further assistance, please contact the **HUD Office** nearest to you.

Local preferences and waiting list - what are they and how do they affect me?

Since the demand for housing assistance often exceeds the limited resources available to HUD and the local housing agencies, long waiting periods are common. In fact, a PHA may close its waiting list when it has more families on the list than can be assisted in the near future.

PHAs may establish local preferences for selecting applicants from its waiting list. For example, PHAs may give a preference to a family who is (1) homeless or living in substandard housing, (2) paying more than 50% of its income for rent, or (3) involuntarily displaced. Families who qualify for any such local preferences move ahead of other families on the list who do not qualify for any preference. Each PHA has the discretion to establish local preferences to reflect the housing needs and priorities of its particular community.

Housing vouchers - how do they function?

The housing choice voucher program places the choice of

housing in the hands of the individual family. A very low-income family is selected by the PHA to participate is encouraged to consider several housing choices to secure the best housing for the family needs. A housing voucher holder is advised of the unit size for which it is eligible based on family size and composition.

The housing unit selected by the family must meet an acceptable level of health and safety before the PHA can approve the unit. When the voucher holder finds a unit that it wishes to occupy and reaches an agreement with the landlord over the lease terms, the PHA must inspect the dwelling and determine that the rent requested is reasonable.

The PHA determines a payment standard that is the amount generally needed to rent a moderately-priced dwelling unit in the local housing market and that is used to calculate the amount of housing assistance a family will receive. However the payment standard does not limit and does not affect the amount of rent a landlord may charge or the family may pay. A family which receives a housing voucher can select a unit with a rent that is below or above the payment standard. The housing voucher family must pay 30% of its monthly adjusted gross income for rent and utilities, and if the unit rent is greater than the payment standard the family is required to pay the additional amount. By law, whenever a family moves to a new unit where the rent exceeds the payment standard, the family may not pay more than 40 percent of its adjusted monthly income for rent.

The rent subsidy

The PHA calculates the maximum amount of housing assistance allowable. The maximum housing assistance is generally the lesser of the payment standard minus 30% of the family's monthly adjusted income or the gross rent for the unit minus 30% of monthly adjusted income

Can I move and continue to receive housing choice voucher assistance?

A family's housing needs change over time with changes in family size, job locations, and for other reasons. The housing choice voucher program is designed to allow families to move without the loss of housing assistance. Moves are permissible as long as the family notifies the

PHA ahead of time, terminates its existing lease within the lease provisions, and finds acceptable alternate housing.

Under the voucher program, new voucher-holders may choose a unit anywhere in the United States if the family lived in the jurisdiction of the PHA issuing the voucher when the family applied for assistance. Those new voucher-holders not living in the jurisdiction of the PHA at the time the family applied for housing assistance must initially lease a unit within that jurisdiction for the first twelve months of assistance. A family that wishes to move to another PHA's jurisdiction must consult with the PHA that currently administers its housing assistance to verify the procedures for moving.

Roles - the tenant, the landlord, the housing agency and HUD

Once a PHA approves an eligible family's housing unit, the family and the landlord sign a lease and, at the same time, the landlord and the PHA sign a housing assistance payments contract that runs for the same term as the lease. This means that everyone -- tenant, landlord and PHA -- has obligations and responsibilities under the voucher program.

Tenant's Obligations: When a family selects a housing unit, and the PHA approves the unit and lease, the family signs a lease with the landlord for at least one year. The tenant may be required to pay a security deposit to the landlord. After the first year the landlord may initiate a new lease or allow the family to remain in the unit on a month-to-month lease.

When the family is settled in a new home, the family is expected to comply with the lease and the program requirements, pay its share of rent on time, maintain the unit in good condition and notify the PHA of any changes in income or family composition.

Landlord's Obligations: The role of the landlord in the voucher program is to provide decent, safe, and sanitary housing to a tenant at a reasonable rent. The dwelling unit must pass the program's housing quality standards and be maintained up to those standards as long as the owner receives housing assistance payments. In addition, the landlord is expected to provide the services agreed to as part of the lease signed with the tenant and the contract

signed with the PHA.

Housing Authority's Obligations: The PHA administers the voucher program locally. The PHA provides a family with the housing assistance that enables the family to seek out suitable housing and the PHA enters into a contract with the landlord to provide housing assistance payments on behalf of the family. If the landlord fails to meet the owner's obligations under the lease, the PHA has the right to terminate assistance payments. The PHA must reexamine the family's income and composition at least annually and must inspect each unit at least annually to ensure that it meets minimum housing quality standards.

HUD's Role: To cover the cost of the program, HUD provides funds to allow PHAs to make housing assistance payments on behalf of the families. HUD also pays the PHA a fee for the costs of administering the program. When additional funds become available to assist new families, HUD invites PHAs to submit applications for funds for additional housing vouchers. Applications are then reviewed and funds awarded to the selected PHAs on a competitive basis. HUD monitors PHA administration of the program to ensure program rules are properly followed.

Additional Information and other subsidy programs

For additional information about the voucher program, contact either the

local PHA serving your community or the Office of Public Housing within your **local HUD office**. There may be a long wait for assistance under the housing voucher program. If the PHA also administers the public housing program, applicants for the housing choice voucher program may also ask to be placed on the waiting list for the public housing program. HUD also administers other subsidized programs and you may obtain a list of programs in your area from the Office of Housing at your local HUD office.

What regulations cover this program?

Regulations are found in **24 CFR Part 982**.

Project Based Vouchers – Frequently Asked Questions

What organizations are eligible to apply for project-based voucher funding from HUD?

There are no appropriations for this program and HUD does not allocate funding for project-based voucher assistance. Instead, funding for project-based vouchers comes from funds already obligated by HUD to a PHA under its annual contributions contract (ACC). The PHA can use up to 20 percent of its housing choice vouchers for project based vouchers.

What families are eligible to obtain project-based vouchers?

Any eligible family on a PHA's housing choice voucher waiting list that is interested in moving into the specific project. Owners select families for occupancy of a particular unit after screening each family.

How do families obtain project-based vouchers?

PHAs refer families, who have already applied to a PHA for housing choice vouchers and are on the PHA's waiting list, to properties that have project-based voucher assistance when units become vacant.

How much rent do vouchers cover?

The PHA pays the owner the difference between 30 percent of family income and the gross rent for the unit.



How are project-based vouchers different from tenant-based vouchers?

Under the tenant-based housing choice voucher program, the PHA issues an eligible family a voucher and the family selects a unit of its choice. If the family moves out of the unit, the contract with the owner ends and the family can move with continued assistance to another unit.

Under the project-based voucher program, a PHA enters into an assistance contract with the owner for specified units and for a specified term. The PHA refers families from its waiting list to the project owner to fill vacancies. Because the assistance is tied to the unit, a family who moves from the project-based unit does not have any right to continued housing assistance. However, they may be eligible for a tenant based voucher when one becomes available.

What type of contracts do PHAs sign with property owners under this program?

The PHA and the owner execute an agreement to enter into housing assistance payments (HAP) contract. Under this contract the owner agrees to construct or rehabilitate the units, and the PHA agrees to subsidize the units upon satisfactory completion of the rehabilitation or construction.

Upon satisfactory completion of the rehabilitation or construction and for existing development, the PHA and the owner execute a HAP contract for a ten-year term that is dependent on availability of funding under the PHA's ACC with HUD. The HAP contract establishes the initial rents for the units and the contract term, and describes the responsibilities of the PHA and the owner. HAP contracts can be renewed subject to availability of funding.

How do PHA's select units for inclusion in this program?

The PHA must adopt a written policy for selection of units to which assistance will be attached and must publicly advertise that it will accept owner proposals for the project-based voucher program. Generally, rents are set based upon market comparables and may not exceed 110% of the published existing housing fair market rents. Substandard rental housing is eligible if rehabilitation costs are at least \$1,000 per unit.

New construction of rental units is also eligible as well as standard existing housing. Rental units assisted under certain other Federal housing programs (e.g., rental rehabilitation, public housing) cannot be assisted with project-based voucher assistance.

How should interested owners or prospective owners of rental property apply for this program?

Contact the local PHA to determine whether the PHA administers a project-based voucher program and to obtain information.

What type of funding is available under the project-based voucher program?

No specific funding is provided by HUD. PHAs may use up to 20% of the funds in its housing choice voucher program to provide project-based assistance.

What regulations cover this program?

Regulations are found at 24 CFR 983.



HAWAII PUBLIC HOUSING AUTHORITY

Board of Directors Orientation & Training

Orientation & Training Topics

- I. HPHA Resource Binder
- II. HPHA Purpose, Mission, Structure, History, etc.
- III. Roles of the Board & Executive Director
- IV. State and Federal Public Housing
- V. Housing Choice Voucher - Section 8
- VI. Construction Management
- VII. Program Management
- VIII. Financial Management
- IX. Procurement & Contracting Requirements
- X. Ethics
- XI. Ongoing Programs, Projects & Challenges

I. HPHA Resource Binder

Board of Directors Resource Binder



- **Legal Resources** – HRS, HAR, By-laws, Sunshine Law, Ethics, Robert’s Rules of Order, and ACC
- **HPHA Policies** – Administration, Board and Personnel
- **HPHA Governance** – Organization Charts, Goals and Objectives, Plans, Reports, Audits and Projects
- **HPHA Branches** – Functional Statements, Inventory, Assessments and Budgets

II. HPHA Purpose, Mission, Structure, History, etc.

U.S. Housing Act of 1937



- Allowed for **creation of municipal housing organizations/corporations** (*aka* Public Housing Authorities) to undertake federal housing programs and apply for federal funds.
- Goal is to provide decent and affordable housing for all citizens.
- Creation of the **Public and Indian Housing** program.
These programs now provide affordable housing to over 2.9 million households nationwide. The average yearly income of these families is \$12,500.

Source: HUD Powerpoint

What Is a Public Housing Authority (PHA)?



- Any State, county, municipality, or other legally created **governmental entity or public body**, or agency or instrumentality of these entities, that is **authorized to engage or assist in the development or operation of low-income housing** under the 1937 Act.
- Subject to State and local laws governing **open meetings and records**. A PHA must also **protect information** obtained and covered under the federal Privacy Act.

Source: HUD Powerpoint

Other PHA Housing Programs

PHAs may undertake **other housing related programs**:

- Financing, planning, undertaking, constructing or operating a housing project(s);
- Homeownership programs;
- Property management;
- Security and crime prevention programs;
- Supportive service and tenant opportunities; and
- Economic and self-sufficiency programs.

Note: PHAs may also form partnerships with governmental agencies, non-profits, and private organizations to mutually achieve goals.

Source: HUD Powerpoint

HPHA Establishment



HRS §356D-2:

There is established the Hawaii Public Housing Authority to be placed within the Department of Human Services for administrative purposes only. The authority shall be a public body and a body corporate and politic.

Source: HRS

HPHA Powers



HRS §356D-4:

(a) The authority may:

- (1) Sue and be sued;
- (2) Have a seal and alter the same at pleasure;
- (3) Make and execute contracts and other instruments necessary or convenient to the exercise of its powers;
- (4) Adopt bylaws and rules in accordance with chapter 91 for its organization, internal management, and to carry into effect its purposes, powers, and programs;
- (5) Sell, lease, rent, hold, maintain, use, and operate any property, real, personal, or mixed, tangible or intangible, in support of its purposes, powers, and programs; provided that the sale of real property shall be subject to legislative approval;
- (6) Receive by gift, grant, devise, bequest, or otherwise from any source, any property, real, personal, or mixed, intangible or tangible, absolutely or in trust, to be used and disposed of, either the principal or the income thereof, for the benefit only of the residents assisted by its programs; provided that no gift to the authority that has an estimated value of \$1,000 or more shall be accepted unless approved or confirmed by the board; and
- (7) Engage the services of volunteers as deemed appropriate by the authority without regard to chapter 76, 89, 90, 103, or 103D.

Source: HRS

HPHA Mission



HPHA's mission is to *provide safe, decent and sanitary housing for low-income residents of Hawaii.*

Presently, this mission is accomplished through administration of the following:

- ✓ State Family Public Housing
- ✓ State Elderly Public Housing
- ✓ Federal Public Housing
- ✓ Section 8 Housing Choice Voucher
- ✓ Veteran's Administration Supportive Housing Vouchers
- ✓ Performance Based Contract Administration
- ✓ State Rent Supplement Program
- ✓ Resident Self Sufficiency Programs

Source: HPHA

HPHA History



1930's

1935 Hawaii Housing Authority (HHA) is created by the Territorial Legislature to provide safe and sanitary housing for low income residents.

1960's

1960 The Government Reorganization Act of 1959 creates the Department of Social Services where HHA is placed for administrative purposes only.

1980's

1988 Housing Finance and Development Corporation (HFDC) is created to provide a streamlined agency for affordable housing.

Source: HPHA

HPHA History



1998

1998 HHA and HFDC are consolidated into the Housing and Community Development Corporation of Hawaii (HCDCH).

HPHA History

2006

2006 HCDCH is split into 2 agencies - HPHA and HHFDC.



HPHA History



2010

2010 Homeless Programs Section is transferred from HPHA to DHS based on the advisement of HUD that PHAs as special purpose entities cannot directly implement certain federal grants for the homeless, such as the Emergency Shelter grant. HUD encouraged the State to transfer the Homeless Branch from HPHA as soon as possible to ensure the State's continued ability to receive Federal HUD funding.

HPHA HISTORY – HUD CORRECTIVE ACTION ORDER (2002)

- Pursuant to Title 24 CFR §968.335, HUD issued a Corrective Action Order (CAO) to the housing authority (predecessor to HPHA) on September 10, 2002.
- The housing authority and HUD entered into a Memorandum of Agreement and established a 23-page action plan.
- Failure by the PHA to achieve the performance targets under the MOA would have resulted in *“HUD’s imposition of such sanctions as the imposition of management budget controls by HUD; declaration of substantial default; and referral to HUD’s Department Enforcement Center (DEC) for judicial appointment of a receiver, or other actions deemed appropriate by the DEC.”*

Source: HUD

HPHA HISTORY – HUD CORRECTIVE ACTION ORDER (2002)

HPHA Missteps:

- HPHA's inability to obligate Federal Capital funds on a timely basis as demonstrated through two consecutive years of HUD extensions to obligation deadlines.
- Violation of conflict of interest provisions by the Executive Director.
- Intervention in procurement matters by members of the Board of Directors.
- Award of sole source contract by the Board of Directors in noncompliance with federal procurement rules at part 85.
- Frequent interference by the Board of Directors in day-to-day operations.

Source: HUD

HPHA HISTORY – CAO AREAS OF CONCERN (2002)

HUD communicated the following concerns:

- Inadequate or incorrect staffing.
- Widespread lack of training.
- Inability to effectively use the emPHAsys system.
- Lack of internal controls.
- High rates of uncorrected work orders.
- Difficulties with financial tracking and accounting.
- Inaccuracies in management operations certification and tracking.
- Inadequate updating of information in the PIC system.

Source: HUD

HPHA HISTORY – CAO MEMORANDUM OF AGREEMENT (2002)

1. Complete split of the agency and reorganization (2008).
2. Develop agency-wide training plan and staff training at all levels.
3. Establish and hire Fiscal Officer position.
 - Update standard operating procedures for accounting, finance and budget.
 - Conduct monthly reconciliations (CFP, TAR balances, general ledger).
 - Evaluate and implement automated inventory software and hardware.
 - Provide real time access to general ledger information.
4. Hire a procurement officer to oversee all contracting activities (mandated delegation of procurement authority).
 - Establish Statement of Procurement Policy; including conflict of interest provisions, advanced planning, and training requirements. Prepare procedures manual for procurement/contract administration.
 - HUD systems set on manual approval.

Source: HUD

HPHA HISTORY – CAO MEMORANDUM OF AGREEMENT (2002)

5. Improve public housing operations under the PHAS.
 - Reduce outstanding tenant receivables.
 - Revise rent collection policy to include streamlined process for timely evictions, write offs, and repayments.
 - Update utility allowance schedule.
 - Increase occupancy to no less than 95%.
6. Development performance standards to hold managers and hearing office accountable for timely evictions.
7. Improve long term viability of the developments.
8. Resolve existing problems with the MIS system.
9. Appointment of all key supervisory staff positions required HUD concurrence.

Source: HUD

HPHA HISTORY – CAO CLOSURE (FROM 2013 – PRESENT)

- In May 2013, the HUD Miami Field Office and HUD Hawaii Field Office conducted a week long audit/assessment of the HPHA's operations, and the HPHA passed with flying colors.
- As a result of the HUD assessment, on June 28, 2013, HUD terminated the Corrective Action Order with the Hawaii Public Housing Authority.
- Subsequently on April 29, 2015, the HUD Hawaii Field Office removed the requirement that HPHA obtain HUD approval prior to executing procurement actions and contracts.

Source: HUD

Questions on HPHA's history?

HPHA Laws and Rules



- **Hawaii Revised Statutes (HRS) Chapter 356D**
- **Hawaii Administrative Rules (HAR) Chapters 15-161 to 15-195 and 17-2000 to 17-2030**
- **By-Laws of the Hawaii Public Housing Authority**
- **Public Housing - Chapter IX of Title 24 Code of Federal Regulations (CFR) OFFICE OF ASSISTANT SECRETARY FOR PUBLIC AND INDIAN HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**
- **Housing Choice Voucher - 24 CFR Part 5**

Source: HPHA

HPHA Policies and Procedures Federal Requirements



The following plans and policies outline HPHA programs:

- *Admissions and Continued Occupancy Policy (ACOP)*
- *Section 8 Administrative Plan*
- *Five Year and Annual Public Housing Agency Plan (PHA Plan)*
- *Additional policies including capitalization, financial management and internal controls, maintenance, personnel, etc.*

This information is located on the HPHA's website under reference information:

<http://www.hpha.hawaii.gov/referenceinformation/index.htm>

Source: HUD

Language Access & Reasonable Accommodations

- HPHA is dedicated to providing quality affordable housing free from discrimination.

The Compliance Office performs activities to ensure that HPHA manages and operates programs in accordance with Federal and State requirements, corporate policies and directives.



- In August 2014, the HPHA's Board of Directors adopted Resolution No. 70 Reaffirming the HPHA's Commitment to Providing Decent, Safe, and Sanitary Housing in a Manner Free from Discrimination, Harassment, and Retaliation.
- In April 2015, Governor David Ige declared it Fair Housing Awareness Month in the State of Hawaii.

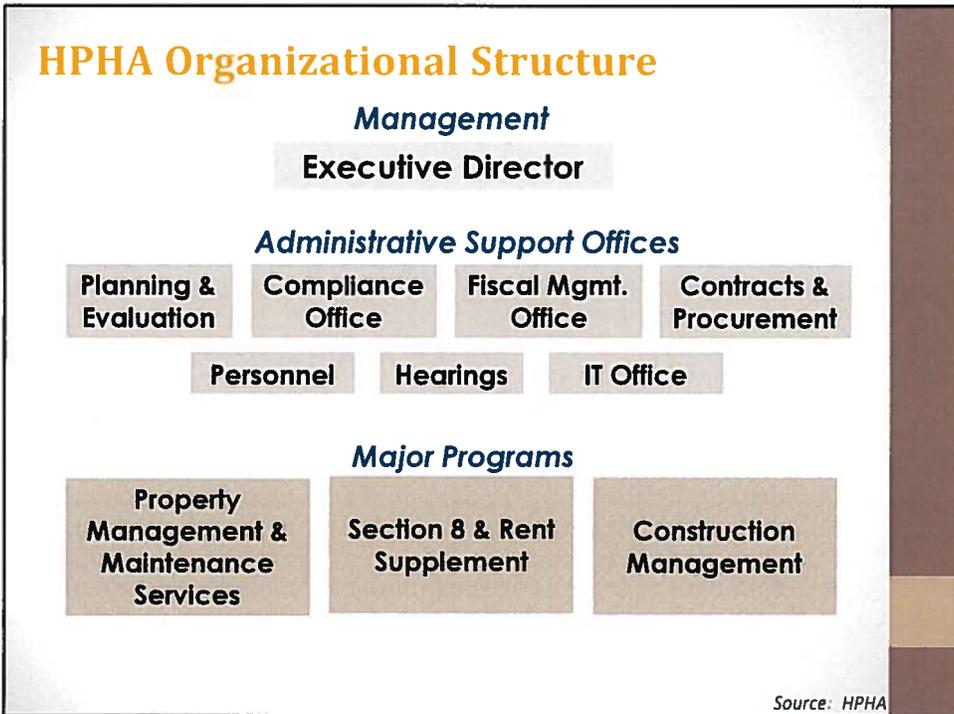
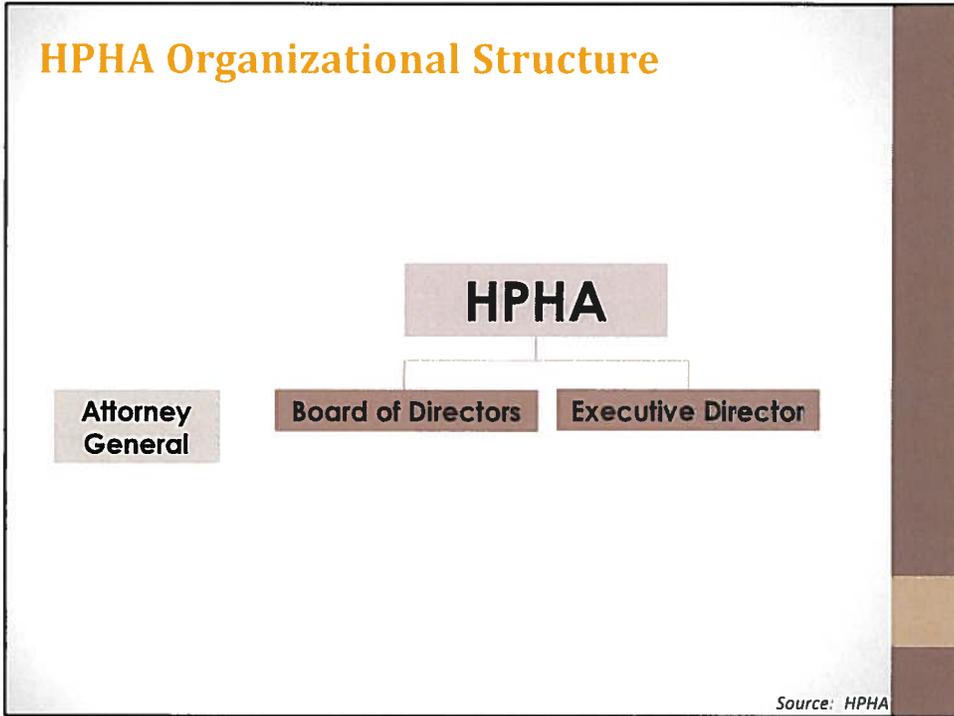
Source: HPHA

Language Access & Reasonable Accommodations

- Some tenants have limited English language skills or physical or mental disabilities that may preclude their access to important housing information or impair their physical use of their unit or property.
- HPHA has spent tens of thousands of dollars in providing language access services free of charge; establishing language access policy; requiring mandatory training for staff; and updating and streamlining guidance for tenants regarding reasonable accommodations.
- Over the past few years, HPHA has approved approximately 1,200 reasonable accommodations, such as ADA accessibility and language access services in 22 different languages.

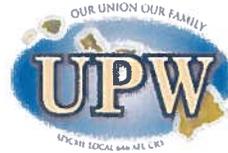


Source: HPHA



HPHA Organizational Structure

- Bargaining Units 01
United Public Workers
- Bargaining Unit 03, 02, 13
Hawaii Government Employees Association



HPHA Functional Statement



As required under State law, the HPHA is guided by a Functional Statement that outlines the functions of the Board of Directors and Executive Director, Compliance Office, Fiscal Management Office, Asset Management Staff, Budget Staff, Hearings Office, Housing Information Office, Information Technology Office, Personnel Office, Planning and Evaluation Office, Procurement Office, Construction Management Branch, Property Management and Maintenance Services Branch, and Section 8 Subsidy Programs Branch.

Source: HPHA

III. The Roles of the Board of Directors & Executive Director

Board Members



- **Eleven (11) total members**, nine (9) appointed by the Governor and confirmed by the Senate, two (2) are ex-officio members.
- Members are **selected from each of the counties** of Honolulu, Hawaii, Maui, and Kauai.
- One member must be an **advocate for low-income or homeless persons**.
- One member must be a **person with a disability or an advocate for persons with disabilities**.
- At least one member shall be a person who is **directly assisted by the Authority** under the federal low-rent public housing or federal Section 8 tenant-based housing assistance payment program while serving on the Board.
- The Director of the Department of Human Services and the Governor's designee are the ex-officio members and cannot serve as chairperson.

Source: HRS §356D-3

Board of Directors' role

Direction & Oversight



- Hold legal and financial responsibility for the PHA.
- Provide governance and financial management of the PHA.
- Establish the PHA's mission, vision, and strategic plan.
- Provide oversight ensuring ethical, legal and effective organizational performance and transparency.
- Establish, adopt and revise by-laws, resolutions, and policies affecting the operation of the PHA and its programs.
- Monitor the performance of the PHA.
- Approve the PHA's budget, five year and annual plans.
- Act in the best interests of the PHA.

Source: HUD Powerpoint

Board of Directors' Role

Provision of PHA Management



- Oversee and evaluate the efficient operation of PHA through hiring, contract for management, intergovernmental agency agreement, etc.
- Select a qualified Director. Understand the skills, qualifications, duties to be performed, compensation to be provided, and other terms and conditions of employment.
- Monitor and evaluate performance.

Source: HUD Powerpoint

Board of Directors & Executive Director

The Board and Executive Director need to be cognizant of one another's roles without overstepping or undermining the other. The Board's role is governance – establishing **policy** and ensuring oversight. The Executive Director's role is **management**.

Source: HUD

Executive Director's Role



Day-to-Day Management of PHA Programs

- Hire, train and supervise PHA staff.
- Procure goods and services and oversee contract work.
- Develop, Implement, and oversee the operating budgets, supervise cash management and bank reconciliation.
- Monitor operations for fraud and abuse.
- Maintain overall compliance with Federal, State and local laws, and Board-adopted policies and create procedures.
- Develop and manage resident programs.
- Advise the Board of issues or concerns, e.g., audits, legal, resident, financial, and laws.

Source: HUD Powerpoint

Board of Directors' Meetings



- Subject to state **Sunshine Law**, open to the public, and should promote an atmosphere respectful of tenants and the public.
- Requires a **quorum** for voting on resolutions and actions. Quorum for HPHA is 6 members.
- Governed by **PHA Bylaws**.
- Conducted in a **businesslike**, productive manner, and *not* used for info gathering.

Source: HUD Powerpoint

Board of Directors' Meetings



Chairperson's Role

- **Approves agenda.**
- **Manages the meeting** by calling to order, following the agenda, allowing opportunity for each Director's input, and adjourning.
- Establishes whether a **quorum** is met.
- **Recognizes visitors**/welcomes them, including allowing public comment on agenda items.

Source: HUD Powerpoint

IV. State & Federal Public Housing

State Public Housing



HRS §356D-44 Administration of state low-income public housing projects and programs. (a) The authority shall construct, develop, and administer property or housing for the purpose of state low-income public housing projects and programs.

The HPHA manages a total of **864 State units: 288 family**

Oahu:	Puahala Homes (128 units), Hauiki (46 units)
Hawaii:	Lokahi (30 units), Ke Kumu Elua (26 units)
Kauai:	Kawailehua (26 units)
Maui/Mokolai:	Ka Hale Mua (32 units)

Oahu:	Hale Poai (206), Halia Hale (41), Laiola (108), Kamalu (109), Hoolulu (112) = 576 elderly
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Source: HRS & HPHA

State Public Housing Funding



- Under **HRS §356D-45**, monies received by the HPHA, including refunds, reimbursements, rentals, fees, and charges received from tenants shall be deposited in the **State Low-Income Housing Revolving Fund**. The HPHA may expend monies from the Fund toward expenses of management, operation, and maintenance of state low-income housing projects.
- Under **HRS §356D-72**, the HPHA shall deposit monies into the **Housing for Elders Revolving Fund**. Revenues from the fund may be used to pay the expenses of management, operation, and maintenance of housing projects for elders.

Source: HRS

State Public Housing Eligibility and Admissions



- Under **HAR §15-193-3**, the income limit for admission to a housing project is based on the applicant's annual household income which shall not exceed the **very low-income limits**.
- HPHA conducts required **verification of eligibility, income limits, and Hawaii state residency**.
- Applicants shall not have been previously evicted from public housing and shall not have an outstanding debt owed to any of the HPHA's programs.
- Participants are required to comply with **occupancy standards and continued eligibility requirements**.

Source: HAR

State Public Housing Family Housing Project Preferences



Under the current administrative rules, applicants for admission into state public housing projects shall be given preference for placement in the following order:

- 1) The elderly;
- 2) The displaced;
- 3) Disabled veterans with service connected disabilities;
- 4) Families of deceased veterans whose death was determined to be service connected;
- 5) Other veterans;
- 6) Families residing in a transitional shelter for the homeless and who have successfully completed a social service plan; and
- 7) Other families determined by the staff.

Source: HAR Sec. 15-193-31

State Public Housing Sample Rent Calculation



Monthly income from social security for a single elderly (age 62) household.

\$770/month x 12 months =	\$9,240.00	annual income
-	<u>400.00</u>	allowable deduction
	\$8,840.00	adjusted annual income

Rent calculation	
\$8,840 divided by 12 months x 30% =	\$221.00
Applicable Utility Allowance	<u>- 25.00</u>
	\$196.00 (rent paid to HPHA)

State Public Housing Future



- Continue capital repairs and accessibility upgrades.
- Address the ongoing need for continued operating subsidy to operate and maintain State Public Housing, including revamping of the rent structure for flat rents.
- Update the Hawaii administrative rules related to State Family and State Elderly Housing.
- Continue to investigate/research opportunities to renovate and modernize the current aging inventory of the State inventory, such as mixed finance redevelopment through public private partnerships.
- Continue to investigate/research opportunities to increase the amount of low income, affordable housing units.

Source: HPHA



State Family
Properties on
Oahu





State Elderly
Housing
(Apartments on Oahu)



Federal Public Housing



- In 1937, the U.S. Housing Act established permanent public housing funded by the federal government. The following programs make up the backbone of public housing today:
 - Low Rent Housing – Asset Management Projects (AMPS)
 - Section 8 Housing Choice Voucher Program
 - Choice Neighborhoods Initiative
 - Rental Assistance Demonstration (RAD)

Source: HRS

Federal Public Housing



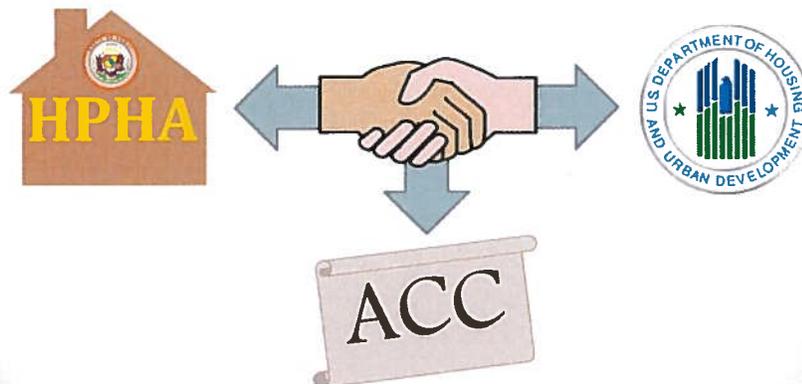
- **HRS §356D-13** enables the HPHA to carry out federal public housing programs and necessary rules which include the establishment and collection of reasonable fees for administering the program.
- Under the **Federal Low Rent Housing Program**, HPHA rents HPHA-owned housing covered under an **Annual Contributions Contract (ACC)** with HUD to low-income families and individuals.
- HPHA operates the program through dwelling rent income, operating subsidy from HUD, and other income generated by HPHA or the property.
- HPHA operates **5,332 Federal Units** across **17 Asset Management Projects (AMP)**.

Source: HRS

Federal Public Housing

Annual Contributions Contract (ACC)

The ACC is the mechanism through which the HPHA receives funding, defines the agency's obligations, and outlines remedies for breaches of contract with HUD. Should there be a breach of contract, HUD will pursue remedial actions.



Source: HUD

Federal Public Housing

Annual Contributions Contract (ACC)



Obligations under the ACC include but are not limited to:

- Cooperation agreements
- Operating budgets
- Depository Agreements and General Fund
- Pooling of funds
- Books of account, records, and government access
- Notices, defaults, and remedies
- Conflict of interest
- Civil Right requirements

Source: HUD

Federal Public Housing



- **As owner of the property, a PHA must ensure its assets are adequately protected through insurance, sound and quality business practices for managing, maintaining and modernizing its property, and by complying with regulatory requirements of the program, and applicable State or local requirements.**
- **The PHA's staff or agents manage the properties and act as the landlord for the PHA. The terms of the rental lease are subject to federal regulations at 24 CFR Part 966, the State Tenant/Landlord laws for residential leases, and other locally adopted rules or policies (i.e., Pets, Grievance, House rules, etc.) incorporated into the lease by reference.**

Source: HUD

Federal Public Housing



The Federal **Quality Housing and Work Responsibility Act (QHWRA) of 1998** required the following of all PHAs:

- 8-hour Community Service and Self-Sufficiency Requirement by public housing residents;
- A flat rent option;
- Screening and eligibility criteria related to criminal background;
- Submission of Five-Year and Annual PHA Plans;
- Establishment of a Resident Advisory Board; and
- A resident appointment to the governing board of PHAs.

Source: HUD

Federal Public Housing Eligibility and Admissions

Under **HAR §17-2028-22**, the applicant and household members must meet the following requirements:

- A. Qualify as a family;
- B. Be income eligible;
- C. Not have an outstanding debt owed to the HPHA;
- D. Not have an outstanding liability for unpaid rent or damages;
- E. Provide a social security number for all family members or certify that the person does not have one;
- F. Not have been evicted since March 1, 1985 by the HPHA;
- G. Not have been evicted from assisted housing by reason of drug-related criminal activity for a three-year period beginning on the date of the eviction unless the evicted tenant successfully completes a supervised drug rehab program approved by the authority;

Source: HAR

Federal Public Housing Eligibility and Admissions – cont.

- H. Not have committed fraud, bribery, or any other corrupt or criminal act in connection with any federal or state housing program;
- I. Not be currently engaging in illegal use of a drug or give the authority reasonable cause to believe that a household member's illegal use (or pattern of illegal use) of a drug or abuse (or pattern of abuse) of alcohol may interfere with the health, safety, or right to peaceful enjoyment of the premises by other tenants;
- J. Not currently or during a three year period preceding ... be engaged in any drug-related criminal activity or violent criminal activity ... reasonably likely to adversely affect the health, safety, right to peaceful enjoyment of the premises by other tenants, the authority, or staff;

Source: HAR

Federal Public Housing Eligibility and Admissions – cont.

- K. Not have been convicted of drug-related criminal activity for the manufacture, production, or distribution of methamphetamines;
- L. Not subject to lifetime registration requirements under any state sex offender's registration program; and
- M. Disclose tobacco use of all family members within the household.

Source: HAR §17-2028-22

Federal Public Housing Fifty Percent Preference

Under HRS §356D-31(a)(1), the HPHA may agree to conditions as to tenant eligibility or preference required by the federal government pursuant to federal law in any contract for financial assistance with the authority; provided that **not less than fifty per cent of available units shall be for applicants without preference** and up to fifty per cent of available units shall be for applicants with preference.

(PHA must submit with its Annual Plan an admissions policy designed to provide for deconcentration of poverty and income-mixing by bringing higher income tenants into lower income developments and lower income tenants into higher income developments.)

Source: HRS §356D-31(a)(1)

Federal Public Housing Preferences

Under HAR §17-2028-34, eligible applicants shall be given preference for admission in the program in the order of the dates of their applications if, at the time they are seeking housing assistance, they fall within the following preferences priority groups:

- **Involuntarily displaced;**
- **Victims of domestic violence** who are participating in a program with case management through a domestic violence shelter, program, or clearinghouse; or
- **Homeless persons** who are participating in a federally or state funded homeless transitional shelter or program, and who are in compliance with a social service plan.

Source: HAR §17-2028-34

HPHA Public Housing



Federal Low Income Public
Housing Program

Properties on Oahu



HPHA Public Housing



HPHA Public Housing



Hearings Office



- The Hearings Office is responsible for the administration of **HRS §356D-93** as it relates to the **lease termination proceedings of tenants of federal public housing projects**, and for preparing the record on appeal, settlement agreements on eviction matters and contested cases.
- On average the Hearings Office receives 200 cases a year for either the **nonpayment of rent, misconduct, drugs or failing to complete their annual reexamination**. The state evictions are led by the State Attorney General's office pursuant to state landlord tenant code.
- The Hearings Office oversees the **7 evictions boards**, 3 for Oahu and 4 for the Neighbor Islands.

Source: HPHA

Evictions Board



- Where the Authority proposes to terminate a lease or rental agreement and evict a tenant, a hearing shall be held to determine whether cause exists for the action.
- Hearings shall be conducted by an Eviction Board appointed by the authority.
- The Eviction Board shall consist of not less than one and no more than three members, of which one member shall be a tenant.

Number of actual evictions
2012 - 40
2013 - 76
2014 - 62

Source: HRS §356D-93

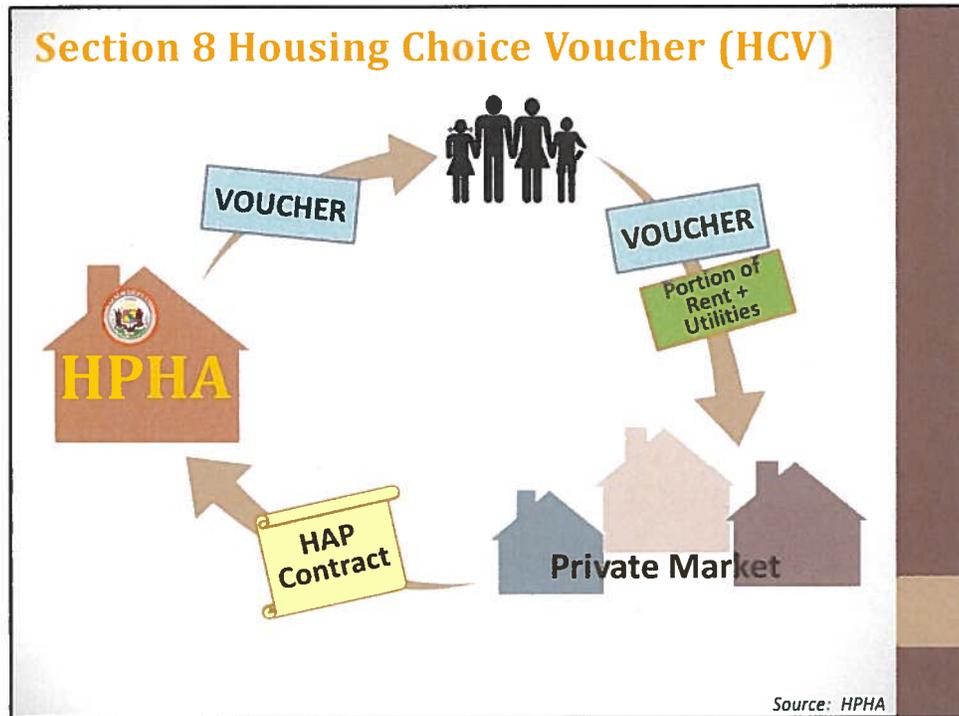
Grievance Hearings



- **“Grievance”** means any dispute which a tenant may have with respect to the **HPHA’s action or failure to act in accordance with the individual tenant’s rental agreement or the authority’s rules** which adversely affect the individual tenant’s rights, duties, welfare, or status.
- A tenant may submit a **request for a hearing** specifying the reasons for the grievance and the action or relief sought.
- A complainant shall be afforded a **fair, informal hearing** conducted by a hearing officer.

Source: HAR Chapter 17-2021

V. Section 8 Voucher Programs



Section 8 Voucher Programs

- **Types of Programs**

- Tenant-Based Section 8 (Housing Choice Vouchers) - 2,159
- Project-Based Section 8 (e.g., Palolo Homes, KPT) - 475
- Performance Based Contract Administration (PBCA) – 2,996
- HUD-Veterans Affairs Supportive Housing (VASH) - 340
- Non-elderly Disabled Vouchers (NED) - 175
- State Rent Supplement - 144

- HPHA has budget authority for 3,708 vouchers, manages and administers approximately 2,125 vouchers on the island of Oahu; and 5,265 housing units receiving rental assistance

Source: HPHA

Key Activities of the Voucher Program

- Selecting Participants
- Leasing Vouchers
- Determining Tenant Rent
- Housing Quality Standards Inspections
- Paying Landlords
- Rent Reasonableness



Rent Calculation

Total Monthly Rent:	\$1,000
Tenant's Annual Income	\$17,000
<u>Less deductions/allowances</u>	<u>\$ 5,000</u>
Annual Net Income	\$12,000
Monthly Net Income	\$ 1,000
30% of monthly adjusted	\$ 300 (Tenant rent)
10% of monthly gross	\$ 141
HPHA Section 8 Payment to Landlord \$1,000 - \$300 = \$700	

Section 8 Voucher Programs

- **Family Self-Sufficiency Program**
- The HPHA administers the Family Self-Sufficiency Program.
- Participants are linked to social services to help them gain economic independence from government assistance.
- An interest-bearing FSS escrow account is established by the HPHA for each participating family. As their income grows, the funds are deposited into the escrow account for the family who is eligible to receive the funds at the completion of their contract.



Source: HPHA & HUD

Section 8 Voucher Future

- Update the Hawaii administrative rules and Section 8 Administrative Plan related to the Housing Choice Voucher Program and the project-based rental assistance programs.
- Continue to investigate/research opportunities to secure additional vouchers for the State of Hawaii, including Rental Assistance Demonstration Program, Veteran's Supportive Housing.
- Continue to investigate/research opportunities to increase voucher utilization from 2,200 to 3,500 vouchers.
- Increase participation in self-sufficiency programs
- Continue to increase lease up under the State Rent Supplement Program
- COCC will continue to cover the shortfall in administrative fees as long as the HCV program is under proration by HUD.

Source: HPHA

VI. Construction Management

CONSTRUCTION MANAGEMENT

- With 6,196 units spanning 85 properties on 5 major islands, HPHA has significant interest and investment in the upkeep, renovation and modernization of its housing portfolio.



Source: HPHA

CONSTRUCTION MANAGEMENT

- HPHA is on track and working diligently to meet all Federal CFP and State CIP deadlines. HPHA is managing approximately \$262 million in capital funds
- The Federal obligation deadline was September 8, 2015 for the 2013 Capital Fund Program (CFP 723) grant. HPHA has currently obligated 93% of the CFP 723 grant.
- The Federal expenditure deadline is April 17, 2016 for the 2011 and 2012 Capital Fund Program grant. HPHA is at 87% expenditure.
- The State encumbrance deadline is June 30, 2016 for the State BY 2013-2015 CIP funds. HPHA is currently at 93% encumbrance.

Source: HPHA

CONSTRUCTION MANAGEMENT

- Green Physical Needs Assessment and Energy Audit and Environmental Reviews must be conducted every 5 years.
 - In order to request release of the Federal CFP funds, the Governor must agree to be the Responsible Entity on the Environmental Reviews;
 - Public notice in all major newspapers statewide identifying the projects and scope of work; and
 - Environmental Review documents must be available for the public review.



Source: HPHA

CFP/CIP Report

CFP - CIP
Page 1/1

Howell Public Housing Authority
Summary of Capital Projects
Report As of 9/30/15

FY2014 - 2015 Capital Program (CP) (Continued, Actual, Not Reported)

CFP	CFP Description	Budget Appropriation (000 US\$)	Budget Available (000 US\$)	Budget Encumbered (000 US\$)	Budget Obligated (000 US\$)	Budget Committed (000 US\$)	CFP Obligated % Obligated	Balance	CFP Obligation Deadline	Notes
CFP 721
CFP 722
CFP 723
CFP 724
CFP 725
CFP Budget Total		TOTAL 720 ALL ACTIVE CFP 904473

CFP	CFP Description	Estimated Obligation (000 US\$)	Estimated Encumbered (000 US\$)	Estimated Obligated (000 US\$)	Estimated Committed (000 US\$)	Estimated to New Funds	% Obligated	Balance	CFP Obligation Deadline	Notes
CFP 721
CFP 722
CFP 723
CFP 724
CFP 725
CFP Obligations Total		TOTAL 720 ALL ACTIVE CFP 904473

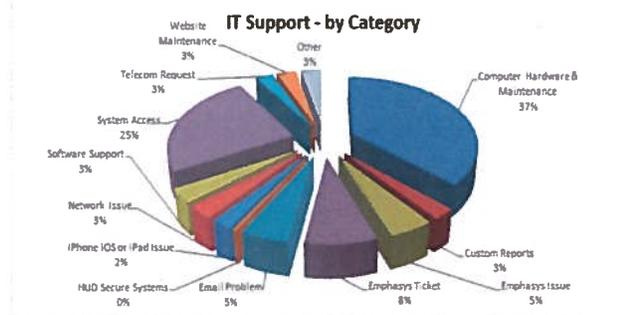
State SO Budget Appropriation	CFP	APHA	APHA	APHA	APHA	CFP	CFP	Notes
FY 07-08 Governor	ACT 720000 as amended by ACT 720001
FY 07-08 Luma Run CIP	ACT 720000 as amended by ACT 720001
FY 08-09 Governor	ACT 720000 as amended by ACT 720001
FY 08-09 Luma Run CIP	ACT 720000 as amended by ACT 720001
FY 09-10 Governor	ACT 720000 as amended by ACT 720001
FY 09-10 Luma Run CIP	ACT 720000 as amended by ACT 720001
FY 10-11 Governor	ACT 720000 as amended by ACT 720001
FY 10-11 Luma Run CIP	ACT 720000 as amended by ACT 720001
FY 10-11 Governor & Average	ACT 720000 as amended by ACT 720001
FY 10-11 Luma Run CIP	ACT 720000 as amended by ACT 720001
FY 10-11 Average & Average	ACT 720000 as amended by ACT 720001

APHA: K, E, V

Howell Public Housing Authority
Summary of Capital Projects
Report As of 9/30/15

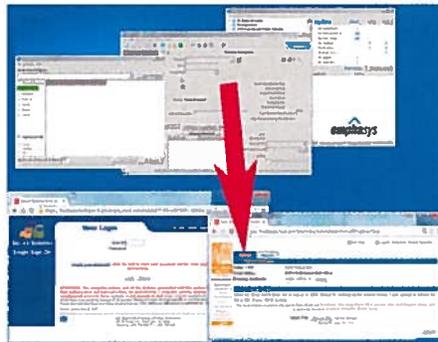
Information Technology

- Responsible for IT related operations for HPHA
- Field trouble calls from HPHA offices statewide.
- Upgraded the network infrastructure and communication devices



Information Technology

- Emphasys Elite software to manage its operations, designed specifically for PHAs
- Elite includes Public Housing, Section 8, General Ledger, Accounts Payable, Work Orders modules and more
- Public Housing and Section 8 modules are designed to export data for upload into HUD online systems for monitoring and reporting purposes



Secured Systems and Databases



- HAWI
- Criminal Justice Information System (CJIS)
- Public and Indian Housing Information Center (PIC)

- Changes to the Elite System are managed by the IT staff; including coordination with the HPHA's contractor.

VII. Program Management

Program Management



Program Management includes:

- Understanding the goals of each program.
- Understanding how programs work.
- Determining HPHA program priorities through proper planning.
- Establishing policies to support the goals and priorities.
- Ensuring proper controls and systems are in place and monitoring results.
- Staying informed.

Source: HUD

Five-Year and Annual PHA Plan



- Required by HUD and serves as the basic **planning document** for most HPHA activities for the following state fiscal year, July 1 - June 30.
- Describes **PHA's objectives, strategies and initiatives**, along with its **operating policies and uses of HUD funds**.
- **Required to receive capital and operating funds** for federal public housing and Section 8.
- **Does not include state housing programs or state funds**.
- PHA plan requirements:
 1. **Public notice** and hearings;
 2. **Consultation with Resident Advisory Board (RAB)**;
 3. **Board authorization**; and
 4. **HUD approval**.

http://www.hpha.hawaii.gov/housingplans/2015-2016_PHA_Plan/index.htm

Source: 24 CFR Part 903

Five-Year and Annual PHA Plans

Timeline

- Draft PHA Plan and authorization to hold public hearings requires Board approval in **December/January**.
- Public hearings require newspaper publication 45 days prior.
- Testimony and comments received at the hearings and proposed changes are reported to the Board.
- At the **March** Board meeting, the Board approves the final version for submission to HUD.
- The Board-approved Plan must be submitted electronically to HUD no less than 75 days prior to the beginning of the State fiscal year (**April 15 or 16**).
- HUD approval is required prior to **July 1** to receive and continue to receive HUD funds.

Source: HUD

Evaluating HPHA Performance & Compliance

- **HUD Performance Assessments**
- **Inspections**
- **Independent Audits**
- **Internal or Quality Control Reviews**
- **Monthly Reports:**
 - ❖ Financial Report
 - ❖ Asset Management Report
 - ❖ Contracting and Procurement Report
 - ❖ Compliance Reports

Source: HUD

Evaluating Performance Under HUD Performance Assessments - PHAS

Public Housing Assessment System (PHAS)

- PASS - Physical Assessment (40 points)
- FASS - Financial Assessment (25 points)
- MASS - Management Assessment (25 points)
- CFP – Capital Fund Program (10 points)

PHAS Indicator	Maximum Score	2011 Score	2012 Score	2013 Score	2014 Score
Physical	40	29	28	32	30
Financial	25	15	16	15	24
Management	25	10	11	13	19
Capital Fund	10	10	5	7	10
PHAS Total Score	100	64	60	67	83

Source: HUD

Evaluating Performance Under HUD Performance Assessments- SEMAP

1. Selection from Waiting List (15points)
2. Rent Reasonableness (20 points)
3. Determination of Adjusted Income (20 points)
4. Utility Allowance Schedule (5 points)
5. HQS Quality Control Inspections (5 points)
6. HQS Enforcement (10 points)
7. Expanding Housing Opportunities (5 points)
8. Payment Standards (5 points)
9. Annual Reexaminations (10 points)
10. Correct Tenant Rent Calculations (5 points)
11. Pre-Contract HQS Inspections (5 points)
12. Annual HQS Inspections (5 points)
13. Lease-Up (15 points)
14. Family Self-Sufficiency Enrollment & Escrow Accounts (10 points)
15. Deconcentration Bonus Indicator (5 points)

High Performer Designation

Source: HUD

Evaluating Performance Under HUD Performance Assessments- SEMAP

FY 2014-2015	143 points
FY 2013-2014	138 points
FY 2012-2013	145 points
FY 2011-2012	138 points

High performer designation for PHAs with a score over 90% or 135 points.

Source: HUD

Evaluating Performance Under Independent Audits (HUD Audit)

- Monthly Vacant Unit Reviews
- PIC Reporting
- Community Service and Self Sufficiency Requirement

Source: HUD

Evaluating Performance Under Independent Audits (KMH, LLP)

- KMH, LLC is contracted by the Office of the Auditor to conduct an independent financial audit and compliance audit of the HPHA and its major programs.
- In 2011, the HPHA's single audit reported 16 compliance findings, both material weaknesses and significant deficiencies.
- Over the last 3 years, the HPHA has improved its internal controls and addressed its deficiencies. Last year, the HPHA's single audit reported only 3 compliance findings.
- http://www.hpha.hawaii.gov/documents/HPHA%20SA%202014%20FS_Final.pdf

Source: HPHA Audit

Evaluating Performance Internal Quality Control

- Occupancy reports
- Waitlist monitoring
- Application and placement
- Tenant file reviews
- Supervisor's review
- Deconcentration & Preference compliance
- Property Inspections



Source: HUD

VIII. Financial Management

Financial Management



- Federal agencies and their grantees require a strong system of **standards, controls and policies** to ensure funds are used in an appropriate and efficient manner.
- Financial management provides a **method of tracking and reporting** the use of taxpayer money to provide services for the public.
- Financial management allows officials at all levels to **make better decisions**.
- Financial management provides for **greater transparency** and encourages organizations to be more responsive to the needs of the public in the delivery of services.

Source: HUD

Financial Management

Financial Management includes:

- Planning
- Budgeting and Cost Effectiveness
- Evaluation and Communication
- Financial Systems
- Internal Controls
- Accounting
- Financial Reporting with strict deadlines and potentially severe consequences

Source: HUD

Financial Management

Internal Control:

1. Procurement Process
 - Owning branch must prepare a request to issue a solicitation
 - HPHA team will review solicitation
 - Dept. of Attorney General will review solicitation
 - Executive Office approves solicitation and CPO issues
2. Contract Execution
 - Owning Branch must prepare a contract for AG review
 - HPHA Team will sign off on contract
 - Dept. of the Attorney General approves contract
 - Executive Office executes contract

(Certain contracts require HUD approval before execution)

Source: HPHA

Financial Management - Board Role



- Ensure priorities/mission/operational goals are aligned with the budget.
- Approve budgets for HPHA activities (the approved budget is the Board's official instructions to the Executive Director and staff).
- Monitor budget and understand variances.
- Review and understand audit report results.

Source: HUD

Financial Management - Board Role



Dos

- Pass resolutions and policies.
- Oversee policies and procedures.
- Establish monitoring controls.
- Ensure annual audit is conducted.
- Ensure integrity of HPHA operation.
- Avoid conflict of interests.

Don'ts

- Sign blank or undocumented checks.
- Use HPHA resources for personal use.
- Accept gratuities from those bidding for HPHA work.
- Involve yourself in business relationships with HPHA.
- Interfere in the competitive procurement process.
- Manage day-to-day transactions or handle source documents at the micro level.

Source: HUD

HPHA's Financial Statements



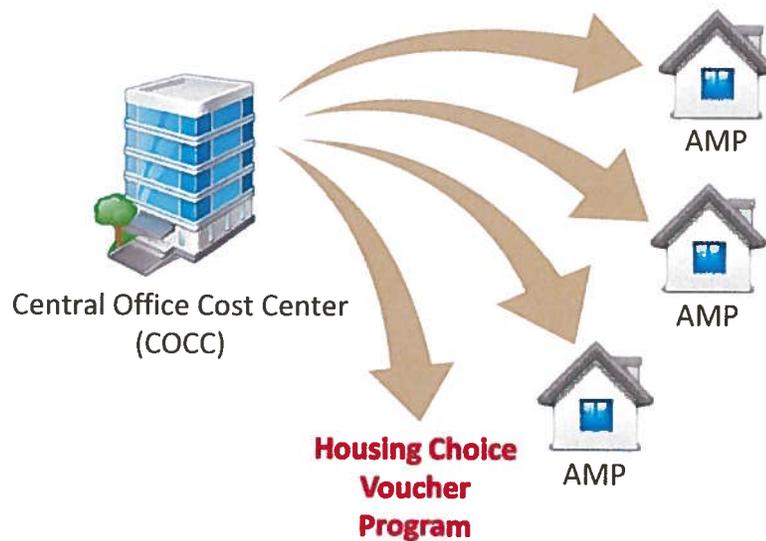
The HPHA's basic financial statements comprise three components:

1. Government wide financial statements
2. Governmental funds financial statements
3. Proprietary fund financial statements

http://www.hpha.hawaii.gov/documents/HPHA%20SA%202014%20FS_Final.pdf

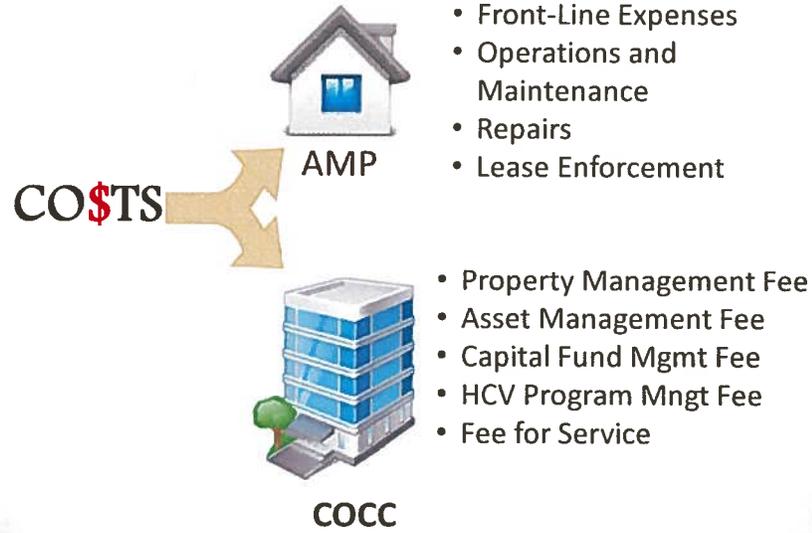
Source: HPHA Audit

Asset Management



Source: HUD

Asset Management Fees



Source: HUD

IX. Procurement & Contracting Requirements

Procurement & Contracts



- HRS §356D-17 provides that the HPHA may make and execute **contracts for any public housing project**, subject to HRS Chapter 103D and §103-53.
- HPHA is required to develop and use procurement policies/procedures and contract administration systems.
http://www.hpha.hawaii.gov/documents/2013%20SOPP%20Rev%2010_10_2013.pdf
- Procurement Procedures must:
 - **Conform to applicable Federal, State and local laws and regulations.**
 - Provide for **internal management controls.**
 - **Cover all phases of procurement** activity from plan development through award to close out and oversight.
- To foster greater economy and efficiency, PHAs are encouraged to enter into State and local intergovernmental agreements for procurement of common goods and services.

Source: HRS & HUD

Procurement & Contracting Requirements



- The Board approves the PHA's procurement policies.
- The Executive Director carries out the procurement policies established by the Board.
- The Executive Director develops or revises as appropriate the procurement procedures.
- The Executive Director serves as the contracting officer when so designated and supervises procurement and contracting.

Source: HPHA

X. Ethics

Conflict of Interest



The HPHA and its contractors/subcontractors **may not enter into a contract or arrangement** in connection with a project under the ACC in which they have a **direct or indirect interest** or in which any of the classes of people on the following slide have an interest.

State Ethics Commission: Ethics Guide

<http://ethics.hawaii.gov/wp-content/uploads/2013/09/ethicsguide.pdf>

HPHA's Standards of Conduct:

<http://www.hpha.hawaii.gov/documents/Standards%20of%20Conduct.pdf>

Source: HUD

Conflict of Interest



Members of these **four classes** must disclose their interest to HUD and the PHA:

1. Any present or former member or **officer of the governing body.**
2. Any member of the **officer's immediate family** (e.g., spouse, child, sibling or parent).
3. Any member of the PHA that **formulates policy or has influence on decisions** with respect to projects.
4. Any public official, member of the local governing body or State/local legislator or any member of the individual's immediate family who **exercises functions or responsibilities with respect to PHA projects.**

Source: HUD

Other PHA Ethics Regulations



- **24 CFR 964.145** sets forth conflict of interest requirements applicable to **resident council officers.**
- **24 CFR 941.600** provides that the PHA must **certify in its mixed-finance proposals** that it will “use an **open and competitive process** to select the partner and/or the owner entity and shall ensure that there is no conflict of interest involved in the public housing agency's selection.”

Source: HUD

Ethics in Procurement



- PHAs are required to include HUD 5370, as part of their construction contracts, which includes provisions intended to implement the anti-kickback requirements of the “Common Rule” – 24 CFR 85.36.
- Grantees and sub-grantees must maintain a written code of standards of conduct governing performance of their employees engaged in the award and administration of contracts.
- No employee or officer of the PHA (grantee or sub-grantee) shall participate in the selection, award or administration of a contract supported by Federal funds if a conflict of interest (real or apparent) would be involved.
- Employees and officers may not solicit or accept gratuities or favors from their contractors or potential contractors.
- PHA may set a minimum rule where financial interest is not substantial or the gift is an unsolicited item of nominal value. HPHA sets a zero acceptance policy.

Source: HUD

Section 8 Ethics



- HUD’s Section 8 Regulation **24 CFR 982.161** contains a conflict of interest provision applicable to public housing agencies who administer Section 8 Tenant-based assistance.
- The **Housing Assistance Payments (HAP) contract** between the HPHA and private owner details the **types of interests** that are prohibited under the contract.
- **Project-Based Assistance** – There are many different HAP contracts and HAP conflicts of interest provisions. When faced with a conflict of interest issue, HPHA must check the particular HAP contract and the ACC.

Source: HUD

XI. Ongoing Programs, Projects & Challenges

Redevelopment Efforts 5-Year Projection

Project	Current	Proposed	Net Gain	Construction	Beginning Occupancy
Makua Ali'i & Paoakalani	362	700 to 1,000	340 to 640	End of 2019	End of 2022
Mayor Wright Homes	364	1,500	1140	End of 2017	2019
Kalanihula	151	500	350	End of 2017	2020
HPHA Offices		200 to 800	200 to 800	End of 2017	End of 2019
Kuhio Park Terrace Phase 2	170	300 to 750	130 to 580	End of 2017	End of 2019
Kamehameha & Kaahumanu	373	1,500 to 2,300	1,125 to 1925	End of 2018	End of 2021
Puuwai Momi	260	600 to 1,200	340 to 940	End of 2017	End of 2020
Hale Lauima	36	700 to 1,000	660 to 960	End of 2018	End of 2021
Waipahu I & II, Hoolu'u & Kamalu	260	700 to 1,000	440 to 740	End of 2017	End of 2020
State Parcel (UH West Oahu)		1,500 to 2,000	1,500 to 2,000	Pending	Pending
	1,976	Up to 11,800	Up to 10,075		

Redevelopment Efforts

Mayor Wright Homes

HPHA has teamed up with **Hunt Development Group, McCormack Barron Salazar** and the **Vitus Group** for the redevelopment of MWH. The vision for the redevelopment includes: one-for-one replacement of public housing units, mixed-income and mixed-uses.



MWH is located within the Transit-Oriented Development (TOD) zone of the Honolulu Rail System, in close proximity to the Iwilei Station.



Image used for illustrative purposes only.

Redevelopment Efforts

Kuhio Park Terrace Phase 2

With the completion of KPT Phase 1, HPHA is currently negotiating Phase 2 – the redevelopment of the KPT low-rises – with **Michaels Development Group**.



The project will increase the number of affordable housing units, include mixed-incomes and mixed uses and maximize the greatest use of the parcel.

Redevelopment Efforts HPHA Administrative Offices



HPHA has recently teamed up with **Retirement Housing Foundation** and its partners to redevelop the HPHA administrative offices located at 1002 N. School Street.

The project will include new HPHA offices, affordable housing units and commercial uses that best serve the surrounding community.



Image for illustrative purposes only.

Redevelopment Efforts Lanakila Homes (Hilo)

Due to arsenic found in the soil, the construction of Phase IIIB of Lanakila Homes has been placed on hold.



Fair Housing improvements, including, an accessible route through the upper section, curb ramps, crosswalks and additional parking stalls, are estimated at \$715,000.

Homelessness

Homelessness is a **top priority** of the State of Hawaii. HPHA is not a homeless agency by purpose or design (see HPHA history). However, in many ways, HPHA has directly impacted the homeless as follows:

- Permanently housed over 4,000 adults and children that were homeless, veterans, involuntarily displaced, and victims of domestic violence since 2010, which is more than any other government agency in Hawaii.
- Manages 382 VASH vouchers.
- Provides homeless preferences for Federal and State Public Housing.
- HPHA owned buildings serve as homeless shelters.



Addressing Homelessness

For Federal Public Housing, the preferences as currently written in Chapter 17-2028, HAR, adopted in May 2014, and implemented in December 2014. Originally adopted in 2006, implemented in 2007. The 50% preference limit Section 356D-42, HRS, adopted in 2013, as Act 148, was implemented immediately, starting on July 1, 2013.

For State Family Public Housing, the preferences in Chapter 15-193, HAR, have been in existence since the agency was known as the HCDCH. The veterans preferences in Section 356D-42, HRS, which was adopted in 2006, as Act 180, was implemented in March of 2010.

There are no preferences for State Elderly Public Housing.

Addressing Homelessness

Homelessness is a **top priority** of the State of Hawaii

- HPHA intends to revise preferences for State public housing and other administrative rules which could have an impact on the homeless
- Increase lease up of Section 8 Housing Choice Vouchers:
 - Create landlord incentives (e.g., guarantee payments on the 1st of the month; 3-6 months advance rent; repair for tenant caused damages)
 - Cover budget shortfall in administrative fees with COCC reserves.
- Continue to lease VASH vouchers in support of the President's agenda to house all homeless veterans
- Continue to meet with service providers regarding application and eligibility requirements



\$820M in Backlog Repairs



- HPHA faces a 10-year, **\$820 million** repair and maintenance backlog.
- HPHA's ability to make the units available relies largely on **funding and manpower**.
- In the last legislative session, lawmakers provided **\$4.1 million** to address the backlog.

Expiration of Act 159 “Special Teams”

In 2012, our occupancy rate was in the **80%** range and our vacant unit turnaround time was **267 days**. Under **Act 159** (2012), which provided a temporary exemption from civil service recruitment requirements, HPHA was able to swiftly hire skilled workers for repair/renovation work of vacant units. These hires, aka the “**Special Teams**”, complement the existing HPHA workforce.



In 2014, based on the “**Special Teams**” repairs/renovations, our occupancy rate **improved to 98%** and our vacant unit turnaround time **decreased to 7 days**.

Unfortunately, in the 2015 legislative session, **Act 159 failed to be extended**. HPHA is currently working with the unions to develop an appropriate program to save these skilled workers, and to maintain higher occupancy rates.

HPHA Past, Present & Future

	Past	Present	Future
Unit Turnaround	360 Days	10 days	6-7 Days
Waitlist*	45,000	19,000	6,000
Section 8 Vouchers	1,800	2,200	3,000
Inventory	6,196	6,196	15,000
VASH	0	312	483
Scores PHAS	60	83	92

*At-risk homeless

